RP - Sanjiv Goenka Group
Growing Legacies

firstsource

28th June 2024

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051
(Stock Code: "FSL")

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
(Scrip code: "532809")

Dear Madam/Sir,

Sub: Annual Report for FY 2023-24

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting a copy of the Company's Annual Report for the financial year 2023-24, which contains, inter-alia, the Notice convening the 23rd Annual General Meeting (AGM).

The same is also available on the Company's website viz., www.firstsource.com.

Request you to kindly take the same on record.

For **Firstsource Solutions Limited**

POOJA SURESH NAMBIAR
Digitally signed by POOJA SURESH NAMBIAR

Pooja Nambiar

Company Secretary
Encl. A/a

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

(CIN: L64202MH2001PLC134147)

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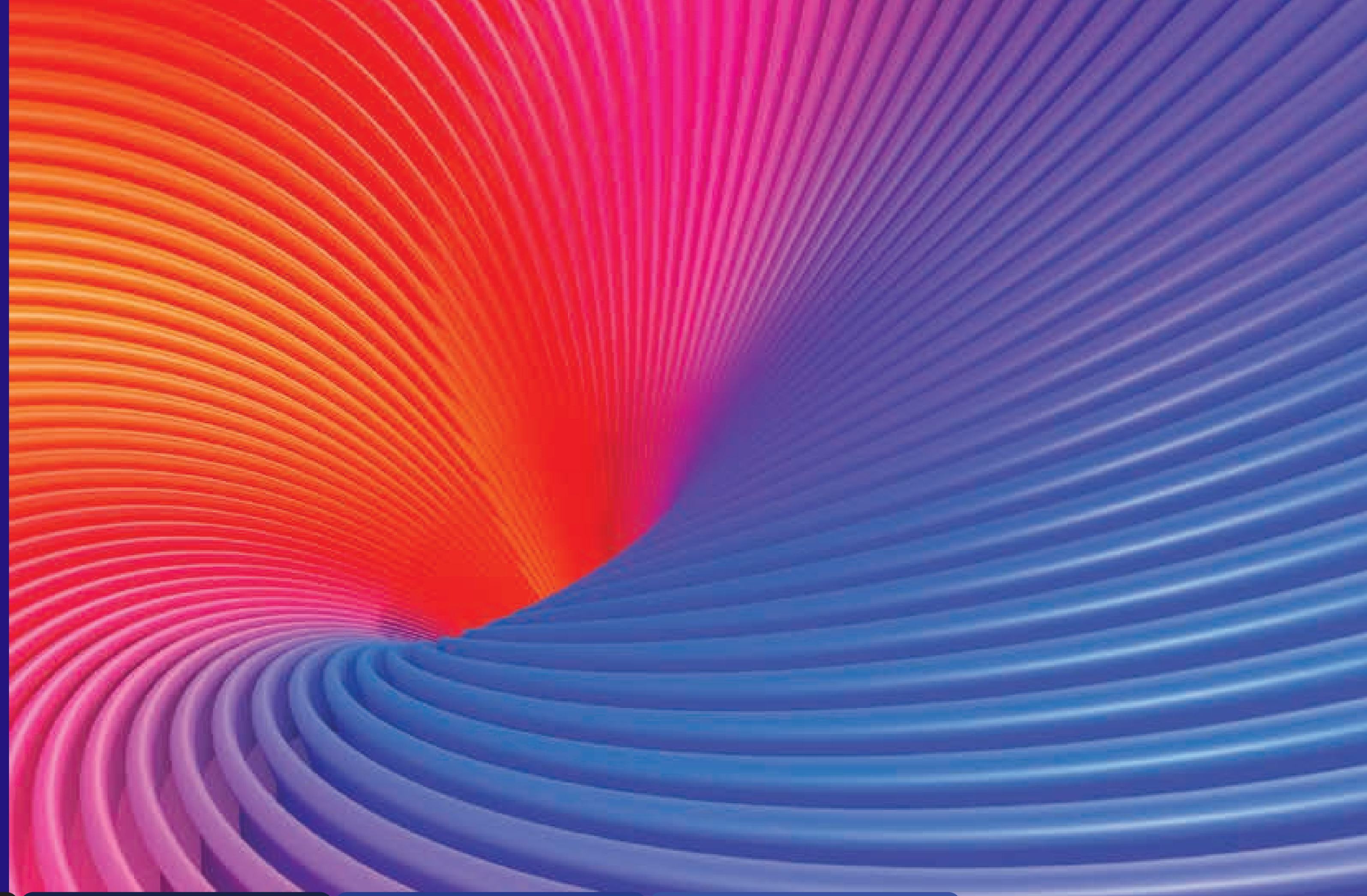
WE MAKE IT HAPPEN.

ANNUAL REPORT 2023-24

www.firstsource.com

Inside this report



Contact information

For more information, visit our website: www.firstsource.com

Publicly traded on Indian stock exchanges

NSE: FSL
BSE: 532809
Reuters: FISO.BO
Bloomberg: FSOL:IN

We Make It Happen

In our relentless pursuit of making it happen for our clients, colleagues, communities, and investors, we enable an environment of hyper-focus, collaboration, deep domain expertise, and real-world practice that is built on cutting-edge tech, data, and analytics.

For our colleagues, we have cultivated an environment where agility, innovation, risk taking, and authenticity are not just celebrated but actively nurtured. Through meaningful work and inclusive practices, we empower our teams to thrive, fostering a sense of belonging and purpose.

In the eyes of our investors, we have demonstrated our tenacious allegiance to sustainable growth and responsible stewardship. Our commitment to ESG initiatives illustrates our dedication to creating long-term value and reducing risks. The recognitions we have received further demonstrate this commitment.

For our clients, we have been the catalyst for transformative change. By leveraging our deep domain expertise and technological prowess, we have enabled them to navigate disruptive times confidently. From streamlining core operations to delivering tangible outcomes, we have been instrumental in turning their visions into reality.

For our communities, we strive to make empowerment and enablement a reality, whether through employee volunteering, digital literacy, or sustainability practices. We are committed to the highest ethical standards and corporate citizenship, embracing transparency to build trust and value for all stakeholders.

Underpinning it all is the 'One Firstsource' framework, guiding our journey towards top-quartile revenue growth and improved margins, staying true to our ethos of making things happen.

Firstsource's Parentage and Ethos

Driving success, delivering value

Established in 2001, Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company, is a specialized BPS partner with hyper-focused, domain-centered teams and cutting-edge tech, data, and analytics. We provide transformational solutions and services to clients in healthcare, banking and financial services, communications, media, technology, and a select set of diverse industries.

One thing drives every Firstsourcer – making it happen for our clients and solving their biggest challenges. With a team of 27,940+ Firstsourcers, we are a trusted growth partner for over 150 leading global brands, including several Fortune 500 and FTSE 100 companies and are present in the US, the UK, India, the Philippines, Mexico, South Africa, and Australia.

Enduring partnerships with clients

With the average tenure of top five clients spanning 18+ years

The relationships that we are proud of

5 of the top 15
Mortgage servicers in the US

5 of the top 15
Mortgage lenders in the US

6 of the top 10
Credit card issuers in the US

3 of the top 6
Retail banks in the UK

7 of the top 10
Health insurance companies in the US

1,000+
Hospitals in the US

1 of the top 2
Broadcasting and media companies in the UK

2 of the top 5
Telecom and broadcasting companies in the US

3 of the top 5
Consumer tech companies in the US

Our performance highlights of FY24

Revenue

₹63,362 mn | $765 mn

YoY growth
5.2%

Constant currency YoY growth
1.1%

EBIT

₹6,962 mn

Margin
11.0%

YoY growth
23.6%

PAT

₹5,147 mn

Margin
8.1%

YoY growth
0.2%

EPS (diluted)

₹7.34

FY23
₹7.32

Firstsource's Parentage and Ethos

Part of the RP-Sanjiv Goenka Group

RP - Sanjiv Goenka Group
Growing Legacies

We are part of the RP-Sanjiv Goenka Group, one of India's fastest-growing and most diversified conglomerates. Driven by innovation, sustainability, and a commitment to excellence, the Group excels in power, carbon black, consumer goods and retail, media and entertainment, IT-enabled services, and sports.

Group metrics

Combined revenues	Asset base
₹**365** bn	₹**608** bn
Colleagues	Shareholders
50,000+	**1** mn+

REACCH
Our values and valued behaviors

Our values are the foundation of everything we do, shaping our interactions with clients, stakeholders, and each other. They drive our daily actions and are embodied in our valued behaviors, ensuring every Firstsourcer is equipped and enabled to understand and meet our high standards of conduct.

REACCH
OUR VALUES

Risk taking
Courage | Innovation | Entrepreneurial Mindset

Execution excellence
Achievement, not activity | Clarity | Getting Things Done!

Agility
Growth Mindset | Progress over perfection | Learnability

Customer first
Simplicity | Curiosity | Authenticity

Credibility
Honesty | Selflessness | Trust

Humaneness
Vulnerability | Humility | Professionalism

Our Global Presence

Future-proofing operations across the globe

At Firstsource, we believe in putting our customers at the center of everything we do. We aim to empower them with the right tools and talent that enable them to succeed in their respective industries.

We have taken our growth journey to the next level by expanding our presence across key global markets. This strategic move allows us to be closer to our customers, which means we can serve them better. Our expansion has enabled us to tap into the best local and international talent available.

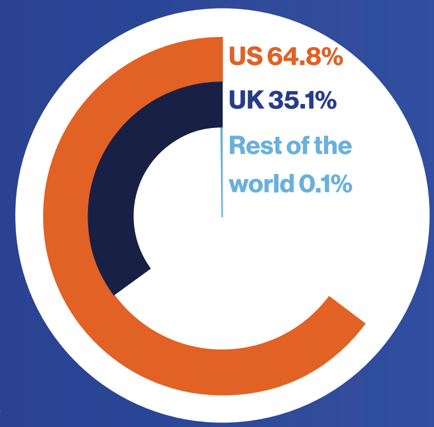
At Firstsource, we pride ourselves on providing unparalleled support to meet our customers' needs. By combining the best resources from onshore and offshore locations, we ensure that our customers receive top-notch service that exceeds their expectations.

5
Countries

40
Centers

27,940
served by Firstsource's burgeoning global workforce

Revenue contribution



US

- Amherst, New York
- Atlanta, Georgia
- Colorado Springs, Colorado
- Chattanooga, Tennessee
- Chico, California
- Dallas, Texas
- Dayton, Ohio
- Kingston, New York
- La Porte, Indiana
- Louisville, Kentucky
- Palm Bay, Florida
- Salt Lake City, Utah
- Sunrise, Florida
- Thousand Oaks, California
- York, Pennsylvania

Mexico

- Mexico City

UK

- Belfast
- Birmingham
- Derby
- London
- Londonderry
- Manchester
- Middlesbrough
- Pontypridd

India

- Bengaluru
- Chennai
- Hyderabad
- Mumbai
- Puducherry
- Trichy
- Vijayawada

Philippines

- Cebu
- Manila

Note: As on March 31, 2024

From our Chairman's desk

Dear Shareholders, I'd like to start with a heartfelt thank you for your continued support toward Firstsource over the course of the years, especially FY24. It will not be a stretch to say that FY24 has been an eventful year for Firstsource.

The pace of change

In FY24, we witnessed a remarkable pace of change that is likely to be a benchmark for the future. While many macro factors have impacted the business process management industry, none have had the continued and permanent impact of the rapid and disruptive technological advancements, particularly in automation, artificial intelligence (AI), and machine learning. These developments have presented both significant challenges and substantial opportunities.

Opportunities, that I am extremely proud to share, Firstsource has maximized its advantage on. Our outcome-led deep domain specialist expertise, and cutting-edge tech, data, and analytics capabilities have enabled us to leverage these to our advantage and build significant competitive differentiation.

Delighting in our ability to disrupt, we've provided innovative solutions, earning us recognition as trusted advisors guiding clients through uncertainty. Our results and robust pipeline testify to the trust and capability we've built.

Performance

We experienced notable growth in FY24, with revenue increasing by 5.2% year-on-year to reach ₹ 63.4 billion. This achievement reflects our commitment to strategic initiatives and market adaptability. Our operating profit saw a significant rise of 23.6% over the previous fiscal year, reaching ₹ 7.0 billion, resulting in EBIT margin of 11%, reflecting disciplined cost management, operational efficiency, and the resilience of our business model.

Our net profit amounted to ₹ 5.1 billion, indicating strong financial health and stability. Furthermore, our highest-ever deal wins in FY24 signify robust demand, successful client engagements and instil confidence in our ability to sustain this positive momentum moving forward. We also expanded our workforce significantly, adding 4,922 employees in FY24, to support our growing operations and service delivery capabilities.

In line with our commitment to rewarding our shareholders, we have allocated 35% or ₹ 3.50 per share as a dividend. Our consistent dividend policy highlights our commitment to shareholder value and reflects our confidence in the stability of our earnings. We believe this approach rewards our shareholders for their investment and strengthens their trust in our company's long-term growth potential and strategy.

Our FY24 performance gives me optimism that we are on the right trajectory towards our objective of becoming a USD 1 billion revenue run-rate company by FY26.

Deep-domain and consolidation of strengths

We remain singular in our strategic intent – to be an inch wide and a mile deep. Our investments, be it capital allocation, people, or technology decisions, continue to be reflective of this razor-sharp focus.

Our recent acquisition of Quintessence Business Solutions (QBSS) is aligned with that focus, enabling the strategic capabilities Firstsource has been pursuing toward growth and expansion. QBSS allows us to leverage tremendous human and technological resources to offer a truly best-in-class, technology-led end-to-end RCM capability to organizations of all sizes and compositions. We expect our combined competencies to be highly synergistic, bringing unmatched solutions and significant benefits to both, our clients and our organization.

To ensure our strategic intent is aligned across the organization we have also defined an internal strategy – One Firstsource – that ensures the consolidation of our strengths and amplifies our capabilities as we go to market.

This framework of One Firstsource is building a new way of working for our people, empowering and enabling them to realize their fierce ambitions for Firstsource and optimizing opportunities through the simplification of our structure for agility; active exploration of cross-sell and up-sell opportunities; amplification of our brand; integration of technology into all aspects of our operations; improvement of margins; enhancement of the employee experience; and expansion of our capabilities by identifying new markets, competencies, and adjacent opportunities.

Leadership that will take us forward

The crux of the success of our strategy has been our people, and we have taken keen steps to build a strong, empowered leadership that can translate intent into action for collective growth. We have also built more robust policies and processes to significantly reduce attrition (16.4% YoY from FY 2022-23), attract top talent across capabilities and roles, and build a business that sustains strongly in the future.

Sustainable growth

Our intent to grow significantly is not limited to profit. We are committed to growing our influence in protecting our planet. Deeply aligned with the RPSG Group's intent toward generating value and sustainability, Firstsource has excelled at building not just a sustainable business, but extending that sustainability to its community, environment, and people. We are committed to a healthy gender ratio and currently women make up 46% of our workforce. In our dedication to advancing employee skills, we invested ₹ 278.76 million and allocated 980,000 training hours towards development and compliance training. Additionally, we dedicated ₹ 9.9 million and 31,500 training hours to the growth and development of our managers and leadership team. Firstsource evaluates all new suppliers on the ESG criteria.

Our top 20 critical vendors, based on business value and accounting for 75% of total procurement spend, are annually assessed for their health and safety practices, environmental impact, human rights, sexual harassment policies, and issues related to child labor, forced or involuntary labor, and working conditions of value chain partners. Recognitions such as the Level 3 Disability Confident Leader in the UK and various industry awards highlight our efforts in fostering a diverse and inclusive workplace and strengthening ties with our clients.

With over 15,507 hours of volunteering, we have impacted 48,370 lives and spent a total of ₹ 11 mn on CSR projects.

Our commitment to ESG has led to our induction into the Dow Jones Sustainability Index with a 96th percentile and an ESG & CSA score of 62 each in our first year of participation. Additionally, we have been recognized as a "Sustainability Yearbook Member" in the S&P Global Sustainability Yearbook 2024.

We are proud to be a signatory to the United Nations Global Compact. The Carbon Disclosure Project (CDP) has recognized our commitment to sustainability through our score of 'C' in the Climate Change category. Additionally, CDP has acknowledged our efforts in responsibly engaging our suppliers, with a rating of 'B-'. Furthermore, we are pleased to have received a Bronze rating from EcoVadis, reflecting our dedication to sustainable business practices.

Making it happen across stakeholders

Across the RPSG Group, we are encouraging the ethos and practice of making things happen, bringing on board people who will drive action, and encouraging behavior that translates ideas into actuality. I am impressed with the agility and commitment with which Firstsource is actively demonstrating this ethos, living it daily, in everything they do.

I am entirely confident in Firstsource's sound strategy, leadership, and commitment to ambitious long-term goals to drive a positive impact for each of us associated with it.

Dr Sanjiv Goenka
Chairman

From our MD & CEO's desk

Dear Shareholders,

FY24 has been quite an eventful year globally with significant macro and technology discontinuities. The macro discontinuities have led enterprise clients to focus extensively on a growth and efficiency playbook, while technology discontinuities have resulted from the significant advancements in the field of generative AI.

This year has also been a transformative year for Firstsource as we redoubled our efforts to take advantage of the opportunities due to the discontinuities. We refreshed our strategy, revamped our organizational structure, and accelerated our growth momentum while navigating an uncertain macroeconomic environment and structural shifts in the technology landscape. I am pleased to report that we finished FY24 with the highest-ever deal wins, improved margins, and healthy cash flows. While change takes time, we have settled well into the new ways of working and remain laser-focused on fulfilling our customers' needs and making Firstsource a great place to work for our employees.

> This year has also been a transformative year for Firstsource as we redoubled our efforts to take advantage of the opportunities due to the discontinuities. We refreshed our strategy, revamped our organizational structure and accelerated our growth momentum while navigating an uncertain macroeconomic environment and structural shifts in the technology landscape.

One Firstsource – our strategic blueprint

Over the past nine months, I have interacted extensively with our employees and customers. I have found each colleague passionate and committed to delivering the desired outcomes for our customers. They, indeed, are our superpower. At every delivery location I have visited, I am inspired by the incredible deep domain-oriented work we deliver in our chosen industry verticals – banking and financial services, healthcare, communications media tech and diversified industries comprising primarily energy and utilities. This observation has been further validated by the many clients I met, who have a deep appreciation for our understanding of their operating environment and the value we can offer them. Just last month, we were awarded 'The Most Collaborative Team of the Year' by one of our most strategic clients with whom we have had a relationship for 20+ years. We were also awarded 'The Most Innovative Partner of the Year' by another long-standing client. I am so proud of the seniority, depth, and duration of our relationships with our clients, some of whom are among the largest players globally in their respective verticals. Importantly, despite our long-standing relationships, we are still under-penetrated in several of our large accounts, and I see significant opportunities to expand our portfolio in these accounts.

These differentiators position us well in the current environment. Today, macro shifts pressure enterprises to move from a growth playbook to a growth and efficiency playbook. Concurrently, accelerated developments in Generative AI and applied AI hold tremendous potential for transformative business impact. I believe the discontinuities caused by these shifts will lead to divergent growth among players. I am confident that Firstsource has the right scale and strengths to leverage these shifts to gain market share and achieve top-quartile revenue growth with concurrent margin expansion over the medium term. The One Firstsource framework defines our blueprint towards realizing these objectives. It covers seven strategic imperatives.

Simplify the organization: We have streamlined the organization structure to remove overlaps, establish clear accountability, and ensure faster decision-making. Our refined organization design realigns North America along three verticals—BFS, Healthcare, and CMT—while Europe remains a geographical BU. We have also aligned our services portfolio into five capability areas that include our mature services, such as collections and CX, as well as emerging services, such as consulting, trust and safety, and data and analytics.

Cross-sell/up-sell into existing accounts: We have set up dedicated teams for a defined set of strategic accounts where we see significant headroom for growth. Each team has an identified client partner with clear ownership to explore white spaces, develop a structured account plan, take proactive proposals to clients, and work with them to develop a pipeline of large transformational opportunities. We have also expanded our go-to-market team by almost a third, and that investment is yielding results for us.

Expand capabilities: We are building adjacencies across our services portfolio to maximize our wallet share. We are also investing in scaling our consulting practice to act as a tip of the spear in increasing the size of our sales funnel. During FY24, we set up our office in Melbourne to target the Australian and New Zealand markets. We are also actively strengthening our footprints in South Africa, Central, and Latin America, for nearshore delivery capabilities.

Amplify the Firstsource brand: We have stepped up our engagements with industry analysts and advisors, which is reflected in a growing recognition of our leadership in the chosen markets. Our new brand positioning, 'We Make It Happen,' reflects the reinvigoration in our go-to-market strategy, which is now more direct, proactive, and laser-focused on solving a client's business challenges by combining our domain-centric teams with cutting-edge tech, data, and analytics.

Technology in everything we do: We are infusing our existing frameworks and platforms with the latest technologies to improve their relevance and attractiveness in the marketplace. We are also taking technology-led propositions to disrupt incumbents with a large manpower-centric execution model in our target set of new logos. We have expanded our partner ecosystem and are actively leveraging them to improve our catchment of opportunities in the market.

Elevate employee experience: We are committed to making Firstsource an employer of choice. There is heightened employee engagement and a strong emphasis on internal talent development. We have also improved the onboarding experience of new hires. This concentrated effort led to a remarkable double-digit reduction in attrition in FY24.

Improve profitability: Even as we invest in expanding our sales footprint and execution capabilities, we are focusing concurrently on driving cost optimization and productivity gains. We intend to keep our margins stable during the investment phase and grow them by 50-75 bps each year after that.

FY24 business performance

FY24 was a story of two halves for us. While our revenues were largely flat in the first half, we saw a visible growth acceleration in the second half. Our revenue growth during the last two quarters of the year was 3.4% and 4.2%, respectively, in constant currency terms, among the highest in the industry. We added 41 new logos in FY24, at an average deal size over 60% higher than last year. Our FY24 results also reflect the deep trust our clients have in us. During the year, we extended our contract with our top client, as their primary outsourcing partner for another ten years. Another of our long-standing clients, one of the top five banks in the UK, expanded the relationship by selecting us for a large transformational program, making it one of the largest deal wins for Firstsource in the last five years. While these are two headline examples, we have been gaining new business at an accelerated pace across our clients. Overall, we reported revenues of ₹ 63.4 billion, up 5% YoY. Our operating margin was 11.0%, an increase of 160 bps over FY23. Our net profit was ₹ 5.1 billion.

Our efforts to reinvigorate our sales organization are yielding results. We had at least one large deal win in the last three quarters and still ended the year with one of the highest deal pipelines. I am also convinced that our focus on being a specialist, deep domain BPO provider, which is technology & AI-led and drives outcomes for our enterprise clients, contributes to the increased traction and wins in the marketplace.

> Being very specific about where we want to play and not trying to be everything to everyone is allowing clients to trust us with their most pressing business challenges, and we feel privileged to have the opportunity to act as trusted advisors to them.

Our FY24 performance reflects the dedication of our 27,940 employees to constantly and consistently drive outcomes for our clients. I thank each one of them. I am also thankful to our clients and partners for their trust in us, my leadership team for their commitment to executing the One Firstsource framework, and the Board of Directors for their guidance.

It has been a wonderful start to what I see as an exciting journey. As I look ahead to FY25 and beyond, I am confident of our efforts to lay the foundation for predictable, sustainable, and profitable growth.

Best,

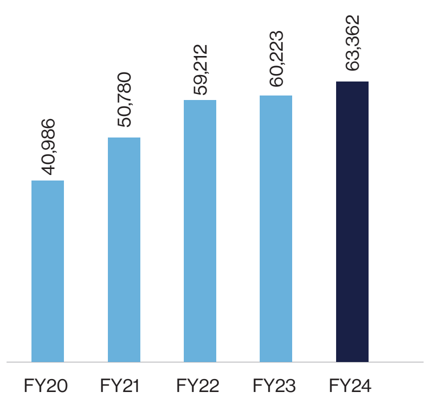
Ritesh Idnani

Managing Director and Chief Executive Officer

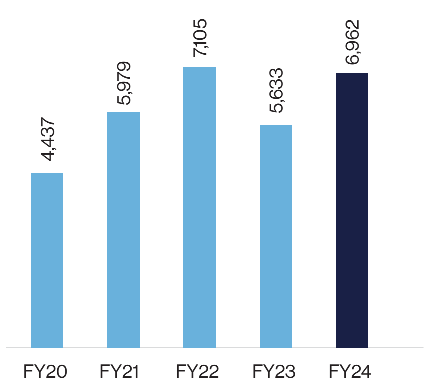
Key performance indicators

Inspiring performance

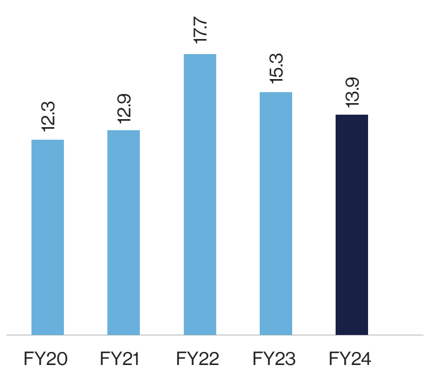
Revenues
(₹ mn)



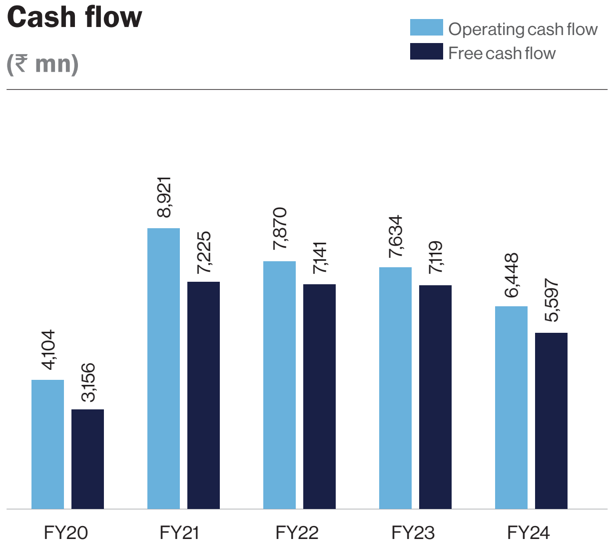
EBIT
(₹ mn)



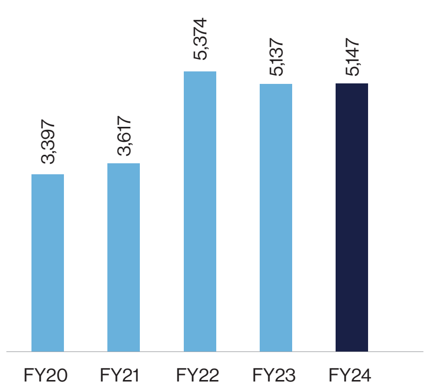
Return on equity
(%)



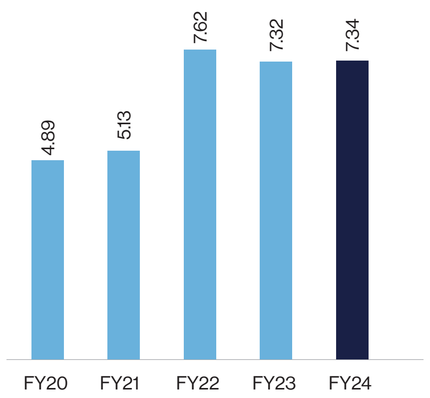
Cash flow
(₹ mn)



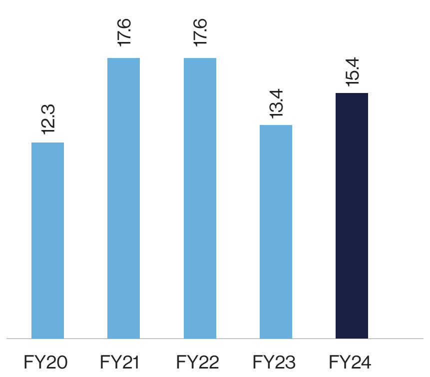
Profit after tax
(₹ mn)



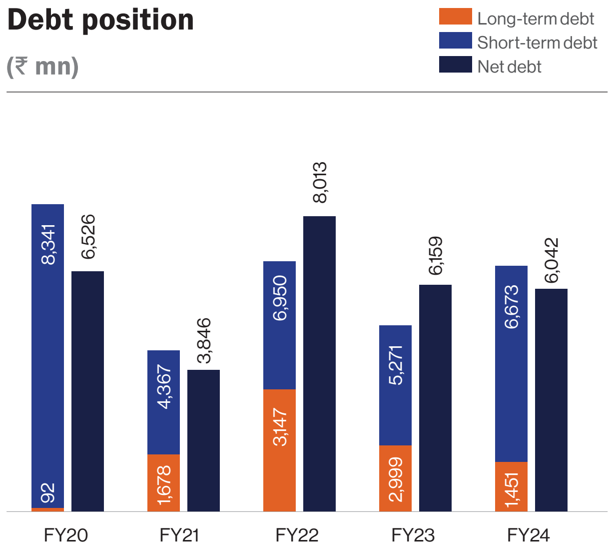
Diluted EPS
(₹)



Return on capital employed
(%)



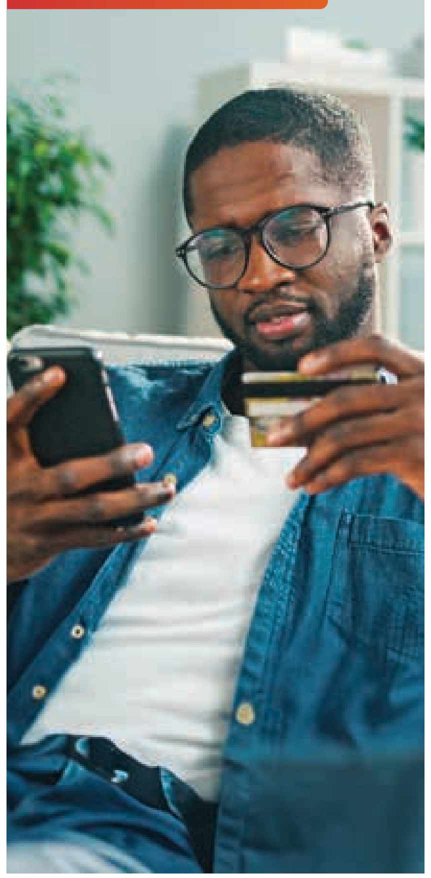
Debt position
(₹ mn)



Vertical overview

Making it happen across industry verticals

Vertical overview



Banking and Financial Services (BFS)

We have firmly established ourselves as a pivotal player in the BFS sector by leveraging cutting-edge digital technologies, including AI, ML, and Analytics, alongside proprietary platforms, and strategic collaborations with leading tech firms. We provide comprehensive services and solutions, including fraud prevention, complaint and dispute resolution, financial assistance, estate management, and day-to-day account servicing to leading global banks.

We enhance the borrower experience in consumer lending by simplifying affordability checks, helping customers purchase their dream homes, vehicles, and other household necessities. We partner with major card providers in world enabling them to improve the efficiency of their debt collection.

The integration of various in-house and partner solutions empowers us to deliver enhanced operational efficiencies and elevate customer experiences across a diverse client base, including large banks, regional institutions, fintech providers, and neo banks. With a robust regulatory compliance framework encompassing PCI DSS, ISO certifications, and comprehensive financial crime monitoring capabilities, we ensure adherence to stringent industry standards globally.

Our specialized expertise in mortgage originations, servicing, collections, and default management, coupled with AI-driven training programs that streamline agent productivity, underscores our commitment to innovation and client success. As we continue to expand our footprint in digital payments, fraud prevention, and bespoke BFS support services across the US, Europe, and beyond, we remain poised to strengthen our position as a premier end- to-end to service provider in the financial services industry.

39.2%
Share of total revenues

Offerings

Banking

- Customer acquisition
- Onboarding
- Transaction processing & payments
- Disputes and complaints
- Servicing
- Bereavement and Power of Attorney
- Fraud and Financial Crime
- Account closure

Lending

- Origination
- Post-closing, title, and settlement services
- Quality control and due diligence services
- Servicing

Collections

- First party collections
- Third party collections
- Legal collections

Vertical overview

Healthcare

As a leader in healthcare BPS we, at Firstsource, partner with top US providers and health plans, helping them redefine their healthcare strategies for long-term success.

We support hospitals and integrated health systems with comprehensive revenue cycle solutions, including eligibility, enrollment, business office management, and recovery. Our goal is to simplify the patient's financial experience and maximize their reimbursement while helping the health providers increase cash flow and reduce bad debt. For health plans, we offer a suite of digital operations services—Core Admin, Clinical, and other strategic offerings—across the entire payer value chain. Our focus is on delivering streamlined and enhanced clinical, financial, and patient experiences.

We drive digital transformation through intelligent back-office solutions powered by AI and automation, Business Process as a Service (BPaaS), and digital intake solutions, modernizing patient and provider interactions. A key differentiator is our end-to-end service capability. From digital intake and scanning to on-site eligibility verification and comprehensive platforms for claims processing and revenue cycle management, we cover the entire spectrum.

Maintaining a customer-centric approach, we prioritize every healthcare interaction to enhance patient engagement and improve financial outcomes. Innovative, strategic, and dedicated to excellence, we stand as a trusted leader in the healthcare industry, driving transformative solutions that empower providers and health plans to thrive in an evolving landscape.

33.0%
Share of total revenues

Offerings

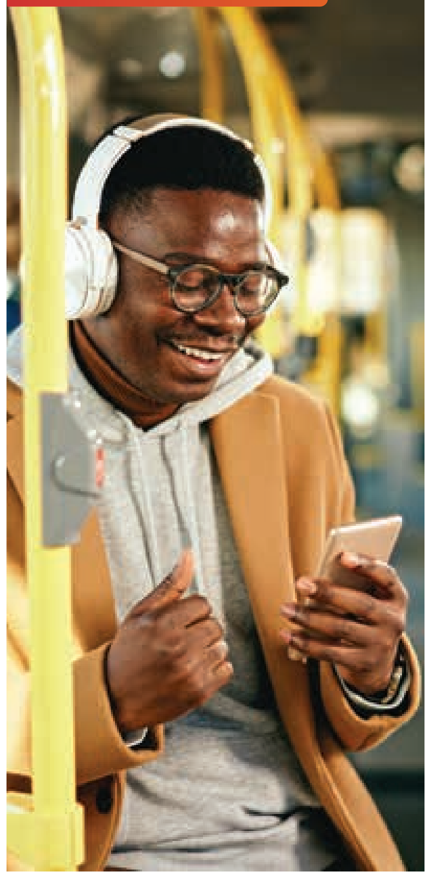
Payers

- Claims operations
- Enrollment and billing
- Customer service
- Care coordination
- Provider credentialing, data management and network management
- Benefit coding, maintenance, and coverage

Providers

- Medicaid enrollment
- Prior authorization
- Medical coding
- Denial management and prevention
- Patient billing and collections
- Receivables management

Communications, Media and Technology (CMT)



Firstsource plays a key role in shaping information dissemination, customer experience and content consumption within the dynamic CMT industry delivering transformative solutions by leveraging our deep domain expertise, cutting-edge technologies, and symbiotic partnerships with innovative companies.

Our advanced AI solutions enable tech firms to efficiently launch innovative products in spatial computing and virtual assistance. Combining state-of-the-art technology with Trust & Safety domain experts, we safeguard users and brands against harm, fraud, and misinformation, ensuring a secure online environment.

For EdTech leaders, we enhance student acquisition, reimagine learner experiences, and provide exceptional support with unparalleled agility through technology-enabled solutions. Our dedicated Media Center of Excellence helps leading media companies develop audiences, manage newsroom operations, and optimize revenue streams.

In the Telecommunications space, we assist leading companies in transforming customer experiences from traditional voice support to digitally focused, self-service channels, turning cost centers into revenue centers. Our comprehensive service offerings span the entire customer life cycle, including acquisition, retention, support, and specialized back-end solutions.

We consistently go the extra mile to make it happen for our customers in the CMT space, driving innovation, operational excellence, and exceptional customer experiences.

22.3%
Share of total revenues

Offerings

Communication

- Sales and retention
- Tech ops
- Receivables and collections management
- Generative AI

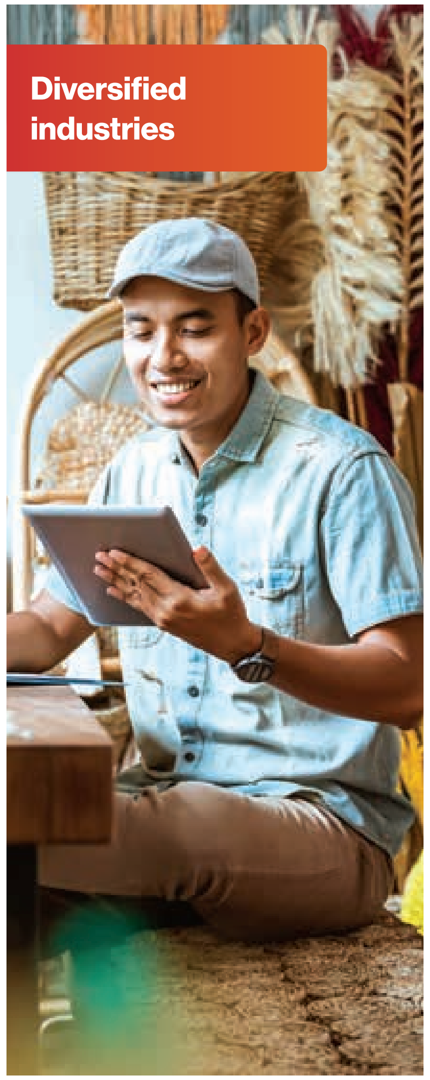
Media/EdTech

- Content development and enrichment
- Student pre-registration and enrollment
- Learners support
- Digital collections

Technology

- AI/ML
- Trust and safety

Vertical overview



Under our diversified sector, we offer comprehensive solutions for Energy and Utilities companies. Our services enable customers to focus on their core capabilities by providing a range of customer engagement and operations services powered by advanced digital technologies, including Generative AI. These technologies help integrate innovative solutions, streamline processes, and enhance efficiency and customer interactions, addressing the evolving needs of the industry.

Navigating complex regulatory frameworks, servicing customers in high-inflation economies, managing fluctuating sourcing costs, and adapting to changing weather conditions are major challenges for Energy and Utilities companies. We have identified these needs and developed solutions to help them focus on their core business. Our offerings include crisis management solutions, support for meeting smart meter conversion targets, debt management through our unique digital collections platform, customer acquisition and retention strategies, and comprehensive service management throughout the subscription lifecycle.

We recognize the need for digitalization in the Utilities, especially in the water sector, tackling floods, droughts, and dynamic pricing. Our solutions focus on automating tasks, enhance asset management and personalise customer interactions. Overcoming data security and workforce diversity challenges is key to maximising these innovations.

5.5%
Share of total revenues

Offerings

- Sales, win back, and service
- Retention and loyalty
- Meter-to-cash operations
- Crisis/Contingency Management
- Smart Meter Conversions
- Debt management
- Complaints handling

AI overview

Making it happen with AI

In conversation with Hasit Trivedi, Chief Digital & AI Officer at Firstsource

How is Firstsource evolving as an AI-first enterprise?

We consider AI a pervasive technology, and our strategy is to ensure we infuse it into every aspect of our business. Thus, we focus distinctly on AI in four critical business elements:

- **AI in our business platform-based offerings:** Our platforms, the backbone of our BPS are already robust and domain-centric. We are now taking them to the next level by infusing AI. This move will significantly differentiate our BPS offering and ensure our continued competitive advantage.
- **AI in our business functions**: We leverage AI to make our Finance, HR, Procurement, Legal, and Marketing functions more agile, efficient, and effective. This strategic move is improving our operational efficiency and the overall employee experience, a win-win situation for all.
- **AI in our managed services business:** We offer our clients highly differentiated domain-centric BPO services. Firstsource is also linked to our clients' business outcomes. We infuse clients' technologies like AI, automation, and analytics into their core business processes to drive efficiency and process transformation, thus improving their competitiveness.
- **AI as a digital service for clients:** With our deep domain process know-how and relationships, we are at the sweet spot for offering clients independent AI and digital services. We are currently involved in discussions with clients regarding their AI initiatives and strategic programs, which we may not necessarily integrate with the BPS business.

What are some of the significant emerging AI technologies or trends?

With the ability to 'create' or' generate', AI is genuinely evolving as a digital assistant for humans. So far, AI has been able to forecast, recommend, detect/identify, converse, and classify. However, its ability to 'create/generate' amplifies its capabilities manifold. This phenomenon started with ChatGPT, and now we have plenty of options around large language models. New capabilities, such as improved natural language processing and more accurate image recognition, emerge every few months across hyper scaler and open source-based ecosystems. This resource-hungry AI is also causing innovations in computing technologies as well. Small or narrow language models are emerging specific to a subdomain/ process, which certainly looks optimistic.

The ongoing evolution of 5G/6G and Edge Compute holds the promise of a significant upswing in the real-time usage of AI, both in business and socially critical areas. This technological advancement is poised to revolutionize our interactions with AI, sparking excitement about the new possibilities and applications that will emerge.

The convergence of multimedia data—video, audio, and text—combined with edge deployment and the development of specialized models, presents a wealth of potential. However, it also underscores the urgent need for robust AI governance measures. This emphasis on AI governance is not to dampen enthusiasm, but to reassure that we are actively countering the sophisticated threats posed by deepfake technology. Addressing this critical aspect is key to ensuring the safe and responsible use of AI.

Concerns around Generative AI are valid and very much here and now. A good part is that the creators of technology and corporate and provider ecosystems are all gearing up for these upcoming challenges.

How is Firstsource planning to scale AI capabilities to make it happen in the near term?

Our focus is on strengthening and expanding the use cases within the FirstSense AI framework. This framework has proven valuable and relevant to our customers, and we believe we can further enrich it with additional use cases. Additionally, we aim to enhance our data services capabilities. Strong data engineering is crucial, particularly given the complexities of handling unstructured data.

We are also strategically investing in making data ready for AI and Safer for Usage, through our Annotation and Moderation services with dominance of AI infusion in same. We also have plans to enhance our Intelligent Document Processing (IDP) capabilities under our workflow management framework. Furthermore, we are committed to scaling up the AI models acquired through the QBSS acquisition. For instance, we will extend our robust radiology AI model to other areas such as cardiology.

Our AI capability development revolves around three key aspects: intellectual property, people, and reskilling.

- **Intellectual property:** We will continue to build and acquire cutting-edge AI technologies.
- **People:** We need to attract and develop top AI talent.
- **Reskilling:** It is crucial to educate a large part of our organization on using AI. They must understand how the technology operates, including creating effective prompts, recognizing when results deviate, and identifying hallucinations.

This all-encompassing method will ensure we develop robust AI capabilities and effectively integrate them into our operations, maximizing their impact.

Building capabilities to address the opportunity

- **FirstSense.AI:** Our proprietary framework to accelerate client's AI deployment
- **FirstSense.AI Studio:** Sandbox ecosystem for experimentation, evaluation, and integration
- **FirstCoLLab:** Initiative to proactively engage Firstsourcers in AI engineering
- **Partner ecosystem:** Across robotics, process and task mining, and conversational AI

55+
POCs completed

8+
Co-pilots in production

5+
Customer wins influenced by FirstSense.AI demos

Client interview

Making customer success happen

One example stands out: during a critical period of high customer inquiries, Firstsource proactively reallocated resources and adjusted workflows to ensure uninterrupted support, showcasing their unwavering dedication to our success. Such actions reaffirm our trust in Firstsource as a reliable partner committed to our mutual growth and success.

Will Crall
President, On3 Media Inc.

Customer-first mindset: Firstsource delivers beyond expectations

What was the nature of your partnership with Firstsource?

Our partnership with Firstsource has been multifaceted, spanning various critical operations areas. Notably, Firstsource has been pivotal in creating standard operating procedures, addressing ad hoc requests promptly, and offering valuable consulting services. Their contribution to the optimization of our operations has been significant, keeping the audience well-informed about the partnership's strategic value. Additionally, they have seamlessly managed the transition from our teams to theirs, demonstrating exceptional expertise and efficiency throughout the process.

What services does Firstsource provide to you?

Firstsource performs customer care and subscriber retention work for On3, including onshore and offshore delivery. Firstsource provides website technical, subscription, and other subscriber support activities. Furthermore, Firstsource supports automation in the Zendesk instance and implementation support of the Piano digital experience platform instance.

How did Firstsource leverage its AI and tech capabilities to 'make it happen' for you?

Firstsource's utilization of technological capabilities has been pivotal in driving efficiencies and enhancing our service delivery. Through innovative solutions and intelligent automation, they have optimized processes, reduced turnaround times, and enhanced the overall customer experience. Whether it's predictive analytics for forecasting customer demand or implementing chatbots for instant assistance, Firstsource has consistently leveraged cutting-edge technology to 'make it happen' for us, ensuring seamless operations and continuous improvement.

What measurable improvements/benefits have you experienced in your business's performance as a result of this partnership?

Our partnership with Firstsource has led to several tangible improvements in our business performance. Notably, we have witnessed significant enhancements in our customer support metrics, including a marked improvement in meeting service level agreements and overall customer satisfaction. Their expertise has streamlined our operations, allowing us to focus more effectively on our core business objectives while ensuring a superior customer experience.

Could you highlight any specific instances where the Firstsource team exhibited a 'customer-first' mindset, and went above and beyond to meet your needs? Or any specific achievements that reinforced Firstsource as your trusted partner?

There have been numerous instances where the Firstsource team has exemplified a 'customer-first' mindset and gone above and beyond to meet our needs. One example stands out: during a critical period of high customer inquiries, Firstsource proactively reallocated resources and adjusted workflows to ensure uninterrupted support, showcasing their unwavering dedication to our success. Such actions reaffirm our trust in Firstsource as a reliable partner committed to our mutual growth and success.

How was your overall experience working with Firstsource?

Our overall experience working with Firstsource has been exceptional. From the outset, they have demonstrated a deep understanding of our business needs and have consistently exceeded our expectations regarding service delivery and responsiveness. Their commitment to excellence and proactive approach to problem-solving have been truly commendable.

How would you rate Firstsource's operational excellence and domain expertise in delivering services?

I unequivocally rate Firstsource's operational excellence and domain expertise as outstanding. Their team comprises highly skilled professionals who consistently demonstrate a deep understanding of our industry nuances and operational intricacies. Their proactive approach and ability to adapt to evolving business needs underscores their unmatched proficiency in delivering exceptional services.

Our people

Making it happen for Firstsourcers

Our people are at the heart of everything we do. We are committed to making the best-in-class employee experience happen for each of them. From our policies to our technology, we leverage each aspect to enable our workforce to bring their best and true selves to work. 2024 saw us focus on improving margin, cost, and people areas by building a stronger recruitment process, upskilling, reskilling our talent, and upgrading our internal processes to offer agility and empowerment, with an inclusive and growth-focused workplace. By fostering a culture of trust, we are building a culture of One Firstsource, where every employee feels valued, supported, and motivated to contribute to our collective success.

Our people are the driving force behind our innovation-led operations and exceptional results. We cultivate a culture of continuous learning, empowering them to stay ahead of emerging technologies and expertly navigate Firstsource through the ever-evolving digital landscape. Through targeted skilling initiatives and comprehensive training programs, we ensure our formidable workforce remains motivated to drive innovation and consistently deliver exceptional results for our clients.

Numbers that make us proud

Decrease in attrition rates – the lowest in 15 years

~17%

Town halls held in just the past six months

~125

Colleagues engaged through multiple interactions

100,000+

Total headcount of Firstsourcers

27,940

Employee satisfaction score

80%

Net headcount addition in FY24

4,922

Our people

Growth evident in expansion

Our team has grown significantly, with 4,922 new colleagues joining us across various locations. This brings our total number of Firstsourcers to 27,940, a clear testament to our company's growth and expansion. We also saw a decline in attrition, with our trailing 12-month attrition rate for Q4 stands at 30.8% offshore and 42.5% onshore. We anticipate these metrics to continue trending downwards in the coming quarter, albeit at a more moderated pace, supported by the positive outcomes of our employee value-focused initiatives. Furthermore, we have added 25% to our base over the last three quarters. This is among the highest in the industry and reflects the strength of our executable order book.

New appointments drive transformative agenda

During the past fiscal year, we have made significant additions to our leadership team, demonstrating our commitment to attracting and nurturing top talent. With the appointment of a new Chief Digital and AI Officer, we aspire to provide an environment that encourages innovative professionals to drive transformative technology. Adding an experienced Chief Marketing Officer underscores our dedication to elevating our brand and expanding our market reach, presenting unparalleled opportunities for marketing experts to thrive. Furthermore, by welcoming an experienced professional as our Global Head of Trust and Safety, we underscore our focus on upholding the highest standards and our staunch allegiance to creating a secure and ethical operational framework. Our ability to attract top-tier talent from the market is a testament to the robust strategic framework we are implementing. With these key appointments, we have now fully established our leadership team, which is exceptionally well-equipped to realize our ambitions and near-term objectives for the business. These leadership advancements support our strategic goals and showcase our determination to build a team of exceptional talent, fostering a culture of excellence and innovation.

Nurturing talent

We are committed to upskilling and reskilling our experienced talent through strategic projects and focused training for managers and leaders. This ensures that knowledge can be effectively cascaded throughout the organization and provides opportunities for career mobility. Our objective is to build a highly learning-agile team with a can-do attitude, ready to tackle any challenge and make things happen. People managers and leaders invested 31,500 hours in learning in the year, with 25% focused on digital learning content.

Driving cultural transformation: Our commitment to transparency, trust, and growth

We foster a transparent culture with robust feedback mechanisms and frequent leader interactions. Last year, we connected with over 100,000 employees through consistent engagements and conducted 125+ town halls in just the past six months. We revised our appraisal and promotion cycle to twice a year, resulting in a significant reduction in attrition rates by ~17%, the lowest in 15 years.

At the core of our efforts is building a unified culture through our REACCH code values, which embed a culture of trust and recognition. We actively reward behaviors that exemplify our values, fostering an environment where every employee feels valued and appreciated. These initiatives are integral to supporting organizational growth through strategic talent interventions. By recognizing and rewarding behaviors that embody trust and collaboration, we have successfully cultivated a workplace where our employees thrive and contribute meaningfully to our shared success.

Celebrating diversity, equity, and inclusion (DE&I) at Firstsource

It has been an impressive three years since our diversity, equity, and inclusivity agenda and the D&I Studio launch. Our progress is a testament to the dedicated efforts of our employees, stakeholders, and industry peers. During this time, we successfully introduced three affinity groups:

- The Women's Inspiration Network (WIN)
- Source of Pride
- The Culture Collective

Recognitions from industry bodies for our DEI efforts

- Disability Confident Employer in the UK
- Top Employer for India in the Workplace Equality Index

Our gender ratio is an impressive 46:54, surpassing the industry average. This metric reflects our dedication to fostering a diverse and inclusive workplace.

As we reflect on our journey, it's clear that now is the time to reassess our agenda to propel us toward a future that is even more dynamic and welcoming for all.

We are starting a new journey to create an inclusive and diverse workplace through our DE&I agenda. We aim to embrace diversity in all forms and cultivate an environment where every Firstsourcer feels valued, respected, and empowered to contribute their unique perspectives and talents. Embracing diverse perspectives helps us become a vibrant innovation hub, encouraging collaboration and problem-solving.

Employee satisfaction

We believe in nurturing a work environment where employees feel valued and heard. To achieve this, we have implemented a robust survey program to actively gather employee feedback and insights - on key employee engagement and experience drivers. We conducted two Pulse surveys: one in June 2023, with 69% participation and 87% overall favorability, and another in February 2024, with 73% participation and 80% overall favorability.

Our people

Firstsource aims to build a workplace where everyone feels empowered to bring their authentic selves to work and succeed.

Attrition in FY24

42.5%	30.8%
Onshore	Offshore

Cost efficiencies fueling strategic talent investments

Over the past six months under the One Firstsource framework, we have made significant strides in cost optimisations and operational efficiencies. During this time, we have doubled our span of control while increasing our hiring efforts. Additionally, we have successfully centralized our global payroll system and employee-related shared services to offshore locations. We are reinvesting the cost savings from these initiatives to expand our front-end sales organisation, enhance our account management teams, and bolster our capabilities to strengthen the Firstsource brand.

Building a remarkable organisation at Firstsource

Our dedication to creating an exceptional workplace at Firstsource and becoming the employer of choice is our foremost priority. We are intensifying our efforts to engage colleagues through personalized interactions and increasing the frequency of town halls to enhance leader-employee engagement across all levels of the organisation. Additionally, we are focusing on nurturing internal talent by identifying and training colleagues to lead new delivery teams.

This initiative led to over 750 internal moves across different roles in the last fiscal year.

We are also streamlining our internal processes to enhance the onboarding experience for new hires. Furthermore, we are committed to upskilling colleagues at all levels and expanding our leadership training and development program. These efforts have resulted in a significant double-digit reduction in overall trailing 12 months attrition.

Refining strategies amid shifting demand patterns

We are seizing the opportunity presented by a clear shift in demand patterns. Furthermore, we are strategically refining our sourcing and staffing strategies by thoroughly evaluating our employee pyramid, optimizing the composition of our project delivery teams, and reallocating resources across operations and support functions.

Making an enabling culture happen

In conversation with Veena Sawant, Vice President – Client Services

How would you describe Firstsource's approach to empowering employees at all levels?

Empowering employees at all levels is a strategic imperative for any modern organization seeking sustainable growth and innovation. Firstsource's approach to empowering employees is as follows:

- **Culture of trust and transparency:** Encouraging open communication, feedback mechanisms, and visibility into decision-making processes.
- **Clear vision and goals:** Aligning individual and team objectives with overarching organizational objectives to provide a sense of purpose and direction.
- **Autonomy and decision-making authority:** Delegating authority and empowering individuals with autonomy in their roles.
- **Continuous learning and development:** Investing in employee development through training, mentorship, and coaching programs.
- **Recognition and rewards:** Implementing a fair and transparent reward system that acknowledges individual and team accomplishments.
- **Collaborative environment:** Creating platforms and spaces for cross-functional collaboration, idea-sharing, and knowledge exchange.
- **Feedback and iteration:** Establishing a feedback-rich culture where constructive feedback is encouraged and acted upon to iterate and improve processes, products, and services.
- **Diversity and inclusion:** Creating an inclusive environment where all voices are heard and valued and where different perspectives contribute to better decision-making and innovation.
- **Empowerment through technology:** Leveraging technology to empower employees with tools and resources that enhance productivity, collaboration, and communication. We ensure that technology solutions are user-friendly and accessible to all.
- **Leadership development:** Equipping managers with the skills and knowledge to lead, coach, and empower their teams effectively.
- **Accountability and ownership:** Fostering a culture of accountability where individuals take ownership of their work and outcomes. We hold employees accountable for results while providing support and guidance as needed.

Can you share instances that show how Firstsource supported innovation or risk-taking?

At Firstsource, we actively support innovation and risk-taking. For instance, we transformed a customer center into a value center, yielding a $106 million P&L impact for a leading entertainment company with 20 million customers in Europe. Facing competition from Netflix and Amazon Prime and dealing with complex subscription and billing options, the client needed to improve customer loyalty and reduce support costs. Firstsource helped by evolving KPIs to focus on digital deflection, first call resolution (FCR), customer satisfaction, and cross-sell/upsell. We helped the client via a three-pronged approach:

- **Right-shoring support model:** Delivered immediate cost savings, while freeing up funds for self-service, digital deflection, automation, and analytics investment.
- **Right-channel digital deflection:** Diverted 30% of calls on IVR to SMS or Facebook Messenger. In addition to saving the client money, this increased CSAT and freed up associates.
- **Improving sales through service:** Analyzed 20,000 calls to understand the root causes of effective cross-selling. This led to identifying associate behaviors that correlate with customer outcomes, and those that don't, and then investing in associate training.

In what ways does Firstsource leverage technology to enable people?

Among many other ways, Firstsource leverages technology to support employees:

- **Before onboarding**

  We use automation and generative AI to efficiently sort through profiles and match skillsets. Our automated onboarding process ensures a smooth experience with online document submission and employee experience surveys.
- **After onboarding**

  We provide technology-based training for complex tasks, automate mundane tasks like quality audits and report generation, and use visualization solutions to measure and enhance the effectiveness of these initiatives.

ESG overview

Making a better world happen

We are committed to fostering a purpose-led business model, evident through our strong environmental, social, and governance (ESG) commitment. By integrating ESG principles into our strategy, we emphasize responsible and sustainable practices. This commitment extends beyond short-term gains, focusing on the potential for long-term value creation.

Through initiatives that prioritize environmental stewardship, social responsibility, and ethical governance, we not only align with our core values but also contribute to a more sustainable future, thereby enhancing shareholder value and societal impact.

S&P Global Sustainable1

Ranked in the top 96th percentile on the Dow Jones Sustainability Index

S&P Global Sustainable1

Included in the S&P Global Sustainability Yearbook as 'Sustainability Yearbook Member' 2024

S&P Global Sustainable1

CSA Score and ESG Score of 62 each in the first year of submission.

CDP DISCLOSURE INSIGHT ACTION

CDP Climate rating of 'C'

CDP DISCLOSURE INSIGHT ACTION

'B-' rating in CDP Supplier Engagement

BRONZE 2023 ecovadis Sustainability Rating

Awarded Bronze rating by EcoVadis

WE SUPPORT UN GLOBAL COMPACT

Signatory to United Nations Global Compact (UNGC)

HYSEA Hyderabad Software Enterprises Association

Received a 'Special Mention' award at the HYSEA ESG Conclave

ESG overview

Materiality assessment

We periodically conduct materiality assessments with inputs from a broad range of internal and external stakeholders and align our process with emerging regulations. The identified material topics guide our accountability systems and target-setting processes, which we review annually to ensure relevance. To future-proof our business, we integrated these assessments into our Enterprise Risk Management (ERM) framework, mapping ESG risks and incorporating emerging risks. We have initiated the alignment with double materiality principles and have integrated our materiality framework into our enterprise risk management (ERM) process.

Our materiality analysis is reviewed and signed off by the Managing Director.

During FY 2021-22, we completed our first comprehensive materiality assessment, including internal and external stakeholders. This assessment assisted us in identifying material issues and developing our ESG strategy accordingly. We selected 40+ topics for evaluation based on a review of material topics recognized by peer groups and prevalent standards (GRI, MSCI, SASB). These were then rationalized to 24 for prioritization and divided into eight main strategy-building themes. Our leadership was proactively involved in the prioritization and strategy-building phases. In FY23, despite minimal changes in the business model and operating environment, we reviewed the material topics through relevant functions and leadership, confirming that no alterations were necessary. We have initiated the alignment with double materiality principles and have integrated our materiality framework into our enterprise risk management (ERM) process.

In FY 2023-24 we have conducted the materiality assessment considering the double materiality principles and have integrated our materiality framework into our enterprise risk management (ERM) process. This move will enable us to comply with upcoming regulations and enhance our ability to conduct a structured impact assessment of our Company's operations on society and the environment. By embedding these principles into our ERM process, we are positioning ourselves to understand better and address the broader impacts of our activities, ensuring a more sustainable and responsible approach to our business practices. This proactive alignment underscores our commitment to comprehensive risk management.

We started with the 24 topics we prioritized for assessment in the previous two years and rationalized them to 10 broad topics. We excluded topics like business ethics and integrity, ESG governance setup, economic performance, and protecting human rights as they were either foundational for any business and/or are matured (for example, ESG governance setup). We removed topics like waste and water management as material topics. Given the nature of operations, our footprint in these areas is insignificant, and our adherence to the regional rules on managing water and waste covers the required actions. Nevertheless, we remain committed to reducing our footprint through various initiatives and continue to report on these in our annual/ESG reports.

We introduced decarbonization and energy management as a specific topic in alignment with the industry trend and the sustainability maturity pathway that Firstsource is already adopting as a part of our climate strategy.

After a series of discussions with the ESG and Risk team, we finalized the following topics based on the identification and grading of impact on environment (inside out impact) and impact on Company (financial impact or outside in impact) which then flows into our risk management framework.

Identification of material issues
After considering the insights we learned from engaging with stakeholders, we identified topics that were important to Firstsource.

Conducting the survey
The opinions of internal and external stakeholders were taken into consideration when further evaluating these topics.

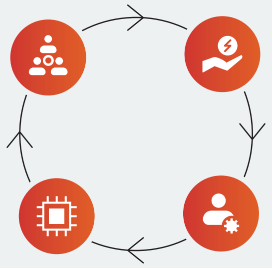
Scoring/Ranking
We ranked the topics that are essential to our business in order of importance based on the assessment of stakeholders.

Mapping
The material topics are reviewed annually to ensure that they are indicative of the current external environment.

Materiality matrix

Stakeholder-centric approach
- Transparency and reporting of financial and non-financial parameters
- Customer centricity
- Data privacy and cybersecurity
- Responsible supply chain

Environmental performance
- Decarbonization and energy management



Innovation
- Leveraging AI and emerging technology

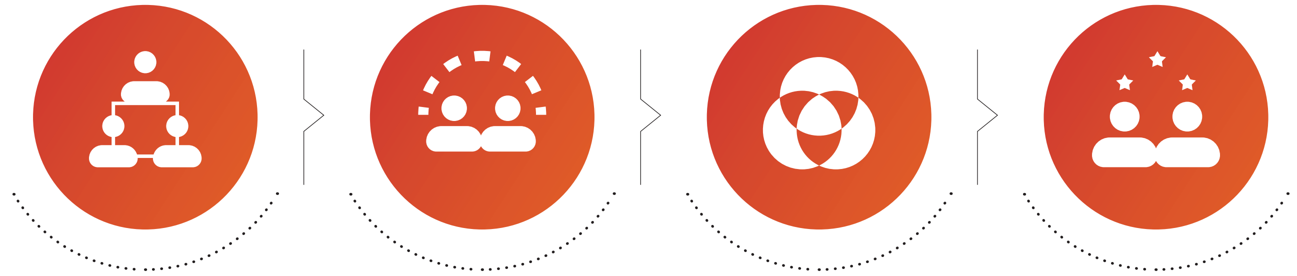
Future-ready workforce
- Employee development
- Diversity and inclusion
- Employee engagement and retention
- Talent recruitment

● High impact on environment and society ● Medium impact on environment and society

ESG governance structure

We have formulated an ESG governance structure comprising employees from across the organization to facilitate seamless implementation of the strategy in line with our business objectives, embed sustainability across the organization, and enable accountability for Firstsource's future ESG performance.

GOVERNANCE STRUCTURE



Board Committee	Steering Committee	ESG Lead	Working Group
Review and oversee	Define ESG strategy and monitor progress	Implement and coordinate	Implement and execute

ESG overview
Preserving the environment

68.68%
Reduction in Scope 1 emission Vs. FY23

14%
Renewable energy mix

100%
Waste disposed to waste handler

All offices in the UK are supplied with **green energy**

Use of **green chemicals** across all centers globally

All beverage vending machines in the UK are now **free of plastic bottles**

Climate risk assessment

We have conducted a scientific assessment to identify specific climate risks within our value chain and operations and to develop a deeper understanding of our operations' impacts on the ecology. This assessment covered:

Physical risk

We calculated physical risk based on the IPCC AR5 Risk Assessment Framework. According to IPCC AR5, risk (or impact) (R) is a function of hazard (H), exposure (E) and vulnerability (V). We used this framework primarily to refer to the risks of climate change impacts. We evaluated the following variables for hazard assessment:

- Changes in maximum temperature
- Changes in minimum temperature
- Changes in precipitation
- Flood risk/Five-day cumulative rainfall
- Annual drought likelihood
- Cyclone events

Transition risk

Conducted by evaluating various factors related to policy and legal risks, market risks, reputation risks, and technology risks relevant to Firstsource.

We will disclose the results of the climate risk assessment in the **ESG and TCFD report**.

For vulnerability analysis, the following variables were evaluated:

Sensitivity

- Location-specific sensitivity
- Percentage of employees working from office
- Disaster or climate-related events in business unit locations in the past five to ten years
- Age of infrastructure

Adaptive capacity

- Average employee distance from work to home
- Availability of rescue procedures, response plan, recovery funds/emergency relief funds
- Disaster or hazard identified as part of the Enterprise Risk Management (ERM) Business Continuity Plan
- Up-to-date building codes for leased or owned assets

We have transitioned to energy-efficient technology within our offices to reduce our carbon footprint.

Key initiatives

1. Transition to electric vehicles (EVs)
2. Energy-efficient data centers
3. Refurbished IT system
4. Sensor-based low-energy LED lighting
5. Use of renewable energy certificates (RECs)
6. Installation of Smartracks in largest DC for minimizing power requirement

Due to the conversion of all UK sites to renewable energy, 396 tCO_2e were reduced in FY24. Additionally, during the same reporting period, 638 tCO_2e were reduced as a result of 4D Mumbai's conversion to renewable energy.

	In tCO_2e
Scope 1	114.72
Scope 2 (Location-based)	14,388.28
Scope 2 (Market-based)	12,504.69
Scope 3	32,520.63

81,744 GJ
Total energy consumption in FY24

Waste management

All waste generated within our premises is segregated into individual waste streams and disposed of following local legislation. We are implementing a zero-waste-to-landfill policy globally. Within our offices, we meticulously segregate waste into predefined categories. In FY 2024 , 249.77 tonnes of non-hazardous waste and zero hazardous waste was generated.

Name & designation	Waste (in tonnes)
Total waste generated	1229.35
Total waste recycled	22.96

We prioritize circular economy and use the 5R principles (refuse, reduce, reuse, repurpose and recycle) to manage waste and improve material recycling and reuse.

We have partnered with Rescript, a sustainable stationery provider that makes all their products using discarded paper as raw material. Rescript recycled paper uses less than 40,000 liters of water compared to 80,000 liters used by regular wood pulp paper. Additionally, there are substantially fewer emissions (1,450 kilograms against 2,500 kilograms for regular paper)

Water management

We remain committed to practicing responsible water usage, although our operations have limited dependence on water resources.

	In KL
Total water withdrawn	216422.95
Total water recycled	153265.60
Total water discharge	47032.57
Total water consumption	16124.78

Our water conservation initiatives

1. Sensor-based water taps with accelerators to prevent wastage
2. Many offices have rainwater harvesting systems in place
3. Waterless urinals in many offices
4. Partnered with AirOWater in India for clean drinking water solutions
5. 100% STP water recycled is reused for flushing and gardening purposes

ESG overview
Upholding stakeholder development

Sustainable supply chain

Compliance with legal and regulatory standards is paramount for us, and we expect our suppliers to adhere to our Anti-Bribery Policy, Sustainable Supply Chain Policy, and Supplier Code of Conduct. We also have a preferential procurement policy under the Sustainable Supply Chain Policy. These policies comprise processes and guidelines to ensure sustainable and ethical practices across our value chain.

Our vision is to institutionalize supplier diversity in all contracting and procurement initiatives and to promote, increase, and improve the participation of minority-owned, woman-owned, disadvantaged-owned, LGBTQIA+-owned, veteran-owned, HUBZone-owned, and small businesses.

We aggressively look for suppliers who correspond with our business strategy. Using nine parameters, we evaluate new and current suppliers primarily based on their compliance with environmental and social sustainability standards.

We evaluated top-20 critical vendors based on the business value that accounts for 75% of the total procurement expenditure through a third party.

Procurement from marginalized vulnerable groups constitute 50% of total procurement

42%

Input material directly sourced from MSMEs/small producers

97%

Input material sourced directly from within the district and neighboring districts

Customer relationships

- Most Innovative Partner and Chat Partner of the Year 2023 award from a leading US telecom and broadcasting company
- Collaborative Team of the Year award from a leading UK telecom company
- Leadership in 2023 ISG Provider Lens™ acknowledgment for Customer Experience Services Report in Europe

Customer satisfaction is a core metric that drives our continuous improvement initiatives. Our annual global customer experience survey, FirstVoice, is a critical tool for discovering our blind spots and challenging the status quo. The survey questions cover a variety of topics, including workforce management, training, service quality, operations delivery, risk mitigation, and alignment with our values. This year, we incorporated questions about ESG in our survey. We also invited open-ended feedback on any additional issues that our customers wanted to discuss. Our customer satisfaction score in FY24 is 94% at a global level against the target of 80%. The survey findings were in line with our goal of continually exceeding client expectations. These satisfaction scores function as a stimulus for further improving our internal and customer-facing processes and methods, reinforcing our commitment to proactively addressing customer issues and delivering excellence.

We achieved an overall customer satisfaction score of 94%.

ESG overview
Helping Firstsourcers excel

At Firstsource, we are committed to our employees and communities. This commitment drives our growth and societal impact. We build a high-performing workforce and champion the betterment of the communities we serve through sustainable people practices and robust CSR initiatives.

We prioritize our employees as our most valuable assets. We aim to nurture a healthy environment that enhances innovation and thought leadership. We motivate our people to work cohesively towards achieving collective organizational growth and implement sustainable people practices and talent management to foster talent and harness their potential. Our highly skilled and dedicated employees have played a significant role in our success, and we continue to build a high-performing workforce through employee-centric policies and activities.

Awarded a Bronze at the India Workplace Equality Index (IWEI) Top Employer for 2023, for our efforts in building a fair and inclusive workplace

Social highlights

Total workforce comprise women

46%

Disability Confident Leader in the UK

Level 3

Decrease in attrition rates – the lowest in 15 years

~17%

Training hours

10,11,597 hours

This includes all training - process, compliance and development

Spent on training and development

₹288.72 mn

New suppliers screened on environment and social KPIs

75%

Honored as a 'Dream Employer of the Year', for building an exceptional employee experience

Recognized among the 'Dream Companies to Work For' by the World HRD Congress

Our VP- HR was felicitated as the 'Most Iconic HR Tech Leader' for the year

ESG overview
Helping Firstsourcers excel

Diversity and inclusion

We want every employee to feel valued, respected, and empowered to offer unique ideas and abilities by embracing diversity in all its forms—race, ethnicity, gender, sexual orientation, age, and ability. We create an innovative hub by embracing varied perspectives, backgrounds, and ideas, enabling cooperation and problem-solving.

Our diversity and inclusion strategy pillars

- Inclusive workplace
- Enabling communities
- Enhancing client experience

We encourage DE&I through various initiatives and practices, including:

- Minimizing bias through our people processes, thus fostering an environment where everyone has equal opportunities for growth and success
- Extending our commitment to DE&I beyond our Company and into our client relationships
- Creating employee affinity groups to support underrepresented communities and collaborating with external organizations to champion diversity and inclusion within our industry

We have a comprehensive global Inclusion and Diversity (I&D) policy that serves as a guiding document for all employees in their respective roles.

We have developed a formal governance framework for our DE&I program to integrate it into our business strategy and culture. Our CEO and CHRO lead as executive sponsors. Our DE&I executive council comprised of enterprise leaders from across the firm, aligns the DE&I strategy with business goals and holds them accountable. Our global DE&I team of subject matter experts works closely with affinity groups, executives, and employees to provide frameworks, corporate-level action plans, implementation, and adoption/change.

Employee well-being

Through our people-centric philosophy and practice, we have maintained employee motivation and engagement, which has helped us ensure business continuity.

Some of our employee benefit programs are:

1. Maternity/ Paternity benefits
2. Medical insurance
3. Employee wellness
4. Daycare
5. Flexible working hours

We aim to hire 10,000 employees by 2025 through impact sourcing.

Employee satisfaction

The Pulse Survey is essential to our employee listening programs. All employees provide feedback on important engagement drivers and organization initiatives through the survey. Engagement drivers assess trust, recognition, growth and development, work environment, resources, work-life balance, communication, and innovation. We evaluate employee opinion and awareness of organization-wide activities, including well-being, inclusivity, and CSR. Employees can highlight successes and improvements in the survey. We use the survey results to improve employee engagement and experience. This short 17-22-question survey measures a few themes annually. We collect feedback on all questions on a five-point 'strongly agree' to 'strongly disagree' scale, with favorability scores depending on the percentage of 'strongly agree' and 'agree' responses.

83%

Our employee satisfaction score in FY24

ESG overview
Engaging communities proactively

Our community development approach goes beyond words. We use resources, personnel, and digital tools to facilitate CSR efforts. We aim to make a positive difference by promoting education, skills training, women's empowerment, healthcare, and livelihood.

We contribute to the UN Sustainable Development Goals through CSR projects, employee volunteering, impact sourcing, special projects, and leadership involvement. We believe in responsible and sustainable growth, collaborating with community partners to establish lasting initiatives.

Honored at India CSR Awards 2023 for the various social initiatives focused and implemented for Women Empowerment

A social return on investment analysis highlighted the remarkable success of our green IT skills project in West Bengal. For every ₹ 1 invested, we witnessed a return of ₹ 5.91

We aim to positively impact and support the UN Sustainable Development Goals, emphasising empowerment and gender equality, education, healthcare, and the environment and driving the digital agenda

All CSR projects which went through the Social Impact Assessment received an average social impact score of 9.1+, indicating an exceptionally high level of satisfaction

Our CSR efforts and impact in FY24

Lives impacted: **48,370**	Unique events: **690**
Sustainability actions: **12,285**	Hours of volunteering: **15,507**
Total CSR expenditure: **₹ 11 mn**	Total donations: **₹3.03 mn**
Plastic collected and cleaned from shores: **+5 tons**	Transferred to RPSG Trust for ongoing project: **₹64.30 mn**
Total non-profit partners: **64**	Total CSR budget for FY24: **₹75.30 mn**

ESG overview
Engaging communities proactively

Shriram K,
Lead – Corporate Partnership, Bhumi

How did Firstsource help Bhumi's purpose come to life?

"Firstsource CSR stands out as a leader in volunteer engagement. They ensure programs align with employee volunteer skills ('program curation') and actively encourage participation, as seen in their impressive on-ground response during the December 2023 floods. Beyond funding, they offer skill-based support. This approach means working directly with us to understand needs and contribute expertise, creating a lasting impact. This commitment to hands-on involvement sets them apart as pioneers in corporate volunteering. Our success with Firstsource CSR hinges on a few critical practices. Shared values create a foundation of trust, while open communication keeps us on the same page. We ditch hierarchies and work as a team, combining Bhumi's expertise with Firstsource's resources. Finally, our collaboration goes beyond planning – we're deeply involved in every step of program implementation. This teamwork ensures projects are well-designed and deliver real impact for the children we serve."

Creating lasting impact through shared vision

Overview

Established in 2006, Bhumi's core belief in quality education fueled its mission. It empowers marginalized children and youth in urban slums, low-income families, and shelter homes. Bhumi addresses educational disparities with sustainable programs in education, school infrastructure, environment, and youth development.

Details of Firstsource's association in CSR, volunteering, and impact sourcing/special projects

Our involvement with Firstsource in CSR projects and volunteering has yielded significant results. In FY23, we participated in initiatives such as Gift a Smile, which led to the fulfilment of numerous wishes. Book a Smile, where we set up libraries that have since become community hubs. Art Vandi, which successfully provided education through art. RTE, which made strides in fostering the right to education. And EV, which saw our employees actively volunteering. In FY24, we continued supporting Firstsource's CSR endeavors, contributing to projects such as STEM, Book a Smile, Gift a Smile, Exam Readiness, P4P (Pad for Pad), RTE (Right to Education), and EV (Employee Volunteering). We are excited to continue making a positive impact on the community through these meaningful projects.

Impact of the Bhumi-Firstsource Partnership

Over the past two years, the partnership between Bhumi and Firstsource CSR has significantly impacted the community. With 1,940 Firstsource employees volunteering more than 5,300 hours, the collaboration has achieved remarkable milestones:

- **Gift a Smile:** Fulfilled the wishes of 3,000 underserved children in the last two years.
- **Book a Smile:** Established 150 classroom libraries in collaboration with Pratham Books in the last two years.
- **STEM Education:** Launched a program for sixth to ninth graders in Chennai Higher Secondary School, Koyambedu. The initiative saw the enrollment of 490 students and 103 engaging STEM sessions with an 89% attendance rate, launched by Firstsource's Chief Digital Officer.
- **Right to Education (RTE):** Raised awareness among parents about RTE access and entitlements, assisting with applications and admissions. Enabled 1,000+ children getting admitted in reputed schools in their localities.
- **Pad for Pad Program:** Supported over 500 adolescent girls with safe menstrual practices in 2022-23 and 550 girls in government schools across Chennai, Hyderabad, Bengaluru, and Mumbai in 2023-24.

Advancing inclusivity and equitable opportunities

Bhumi and Firstsource champion inclusivity and strive to create equitable opportunities. Two notable approaches include:

- **2022-23 RTE Campaign Outreach:** Employed transgender individuals to raise awareness and optimize reach by calling and assisting parents with applications and admissions. Firstsource incorporated these individuals into the payroll.
- **2023-24 Pad for Pad Program:** Supported 550 girls in government schools, addressing critical needs to promote their well-being and educational access.

Bhumi and Firstsource's partnership highlight a shared commitment to fostering inclusive growth and providing equal opportunities for all.

Future commitments

We steadfastly commit to sustainability and responsible business practices, setting ambitious long-term goals to drive positive impact. Guided by our vision for a greener future, we aim to significantly reduce our carbon footprint by implementing a comprehensive climate strategy with specific achievable targets and timelines. Furthermore, we prioritize continuous improvement, committing to regularly evaluate, review, and enhance our ESG initiatives to stay aligned with evolving stakeholder expectations and industry best practices. This dedication underscores our proactive approach toward fostering a sustainable and ethical business ecosystem.

Our Board of Directors

At Firstsource's helm

Dr Sanjiv Goenka
Chairman, Non-Executive,
Non-Independent Director

Shashwat Goenka
Vice Chairman, Non-Executive,
Non-Independent Director

Ritesh Idnani
Managing Director & CEO,
Executive Director

Pradip Kumar Khaitan
Non-Executive,
Non-Independent Director

Subrata Talukdar
Non-Executive,
Non-Independent Director

Vanita Uppal
Non-Executive,
Independent Director

Rekha Sethi
Non-Executive,
Independent Director

Dr Rajiv Kumar
Non-Executive,
Independent Director

Sunil Mitra
Non-Executive,
Independent Director

Utsav Parekh
Non-Executive,
Independent Director

T. C. Suseel Kumar
Non-Executive,
Independent Director

Our advisory board

Our collaborators in achieving growth


Steve Best


Arup Angle


Graham Kinch


Jo Morrell


Eddie Montiero


Ellen Sexton


Dr. Craig Samitt


Paul Turrell

Our leadership team

The navigators of Firstsource's growth

Ritesh Idnani
Managing Director & CEO

Dinesh Jain
Chief Financial Officer

Sohit Brahmawar
Chief Operating Officer

Aftab Javed
Chief Human Resources Officer

Aniket Maindarkar
Chief Marketing Officer

Hasit Trivedi
Chief Digital & AI Officer

Sundara Sukavanam
Head – Enterprise Transformation Office

Vivek Sharma
Head – CMT, BFS and Emerging Geos

Venkatgiri Vandali
Head – Healthcare & Lifesciences

Rajiv Malhotra
Head – Europe, Middle East & Africa

Arjun Mitra
Head – Collections

Ashish Chawla
Head – CX and Consulting

Akash Pugalia
Head – Trust and Safety

Case studies

Making double-digit improvement happen for a leading EdTech player

What prompted Firstsource's client to completely overhaul their global customer experience (CX)?

The client, a provider of educational testing services for over 70 years, faced increasing competition, disruptions due to COVID-19, and declining customer satisfaction scores. They recognized the importance of CX in maintaining and expanding their market share.

What were some challenges faced by the client's CX operations?

The client's customer support operated only during US business hours despite serving a global customer base across different time zones. They experienced staffing shortages, leading to longer call resolution times. Additionally, outdated software and limited digital support options hindered their ability to effectively serve digital test takers and engage with students.

How did these challenges impact the client's CX metrics?

The challenges resulted in inconsistent resolution times, ranging from 2 to 30+ days, and led to declining customer satisfaction (CSAT) and net promoter (NPS) scores.

What internal business strategy discussions did the client have regarding CX obstacles?

The client identified staffing hour limitations, staffing shortages, outdated software, and inadequate student support systems as significant obstacles to improving their CX.

How did the client attempt to address these challenges initially?

The client worked with various vendors but still faced difficulties in improving their CX metrics.

What was the client looking for in a solution provider?

The client sought a true partner that could reliably improve their CX metrics, allowing them to refocus on their core strengths in driving educational outcomes.

What solution did Firstsource propose to address the client's CX challenges?

Firstsource developed an insights-driven plan and execution strategy to power massive CX improvements and created a blueprint for success tailored to the client's specific needs.

How did Firstsource make it happen for the client?

Firstsource conducted extensive research, starting with sentiment analysis and mapping the customer journey from the first call to resolution. We interviewed diverse internal stakeholders, including customer service agents, CX business leaders, operation managers, and team leads, ensuring we considered all perspectives in our findings. We gained first-hand experience by walking through the client's customer support channel, which provided us with invaluable insights. Our research process identified critical opportunities to improve support and operational efficiency across customer touchpoints. We presented our findings to the client using in-depth presentations and customer journey maps. We recommended a set of initiatives prioritized by their impact and the effort required to achieve them.

What are the ingredients of Firstsource's recipe for success?

Firstsource collaborated with the client to revamp their customer service operations by introducing a highly adaptable staffing model that could cater to fluctuating levels of support demand. We pinpointed and suggested state-of-the-art technology solutions to further elevate their customer service, including specialized software and tools such as dual monitors, agent co-browsing, and visual interactive voice response (IVR). These cutting-edge technological advancements significantly reduced call times and boosted the productivity of the customer service team. We continue to implement cutting edge solutions such as using generative AI for a fully automated sentiment, extraction, and touchless email processing system and customer insights and sentiment analysis. This solution reduces email response times by around 45% and improve CSAT. The client team has acknowledged that, using these customer insights, they will work on internally optimizing their processes and products.

What were the methods of Firstsource's recipe for success?

- Firstsource conducted extensive research to map the customer journey and define the customer persona for a specific department. Our primary and secondary research provided valuable insights into test takers' experiences. We created a comprehensive 30-90-180-day plan for the client's CX transformation based on our findings.
- Firstsource conducted a website audit, critically assessing the client's website, including its content, user experience, and CX chatbot. We identified various digital enablers that could enhance the customer experience and alleviate the strain on staff resources. These included a visual IVR, First Customer Intelligence, agent assist, and other advanced programs.
- Recognising the need for additional support during high-demand call hours, Firstsource onboarded over 100 full-time equivalent (FTE) employees in Hyderabad, India. We worked closely with the CX leadership team to redesign the structure of their customer support office, focusing on goals, roles, metrics, and interdependencies.
- To ensure timely resolution of customer issues, Firstsource followed a tier-based approach to rank support cases appropriately based on their significance.
- Our well-defined support system covers basic queries under Tier 1, complex complaints under Tier 2, fraud investigations and other sophisticated issues under Tier 3.

What were the immediate results of Firstsource's farsighted interventions?

Our client contracted us to create a CX team in India to handle customer service inquiries for their flagship product in the India market. We quickly executed the plan and delivered the project in under six weeks. Impressed with our efficiency, the client also transitioned all the CX work for multiple products from their current vendor. We completed this transition seamlessly with rapid pace at our Florida, USA center and in India within a similar timeframe.

Case studies

Transforming operations for a leading health payer

What prompted the leading health payer to seek assistance from Firstsource?

The health payer aimed to transform into an organization prioritizing member well-being and value-based healthcare. However, its aging core ecosystem and outdated applications hindered this transition, leading to rising operating and technology costs, processing inefficiencies, and a backlog of manual work. The health payer released an RFP for a business process as a service (BPaaS) solution to streamline operations and support value-based care models.

What were the key challenges the payer was looking to address?

The health payer faced several challenges:

- Outdated technology leading to inefficiencies and high costs
- Rising operating and technology expenses
- A backlog of manual work due to processing inefficiencies
- Custom integrations and processes required for compliance regulations increased maintenance and operating costs
- Long hold times and high abandonment rates in the provider contact center impacted provider and member experience

Why was Firstsource selected?

The health payer chose us because of our deep expertise and comprehensive services, which align with the health payer's business goals. As the lead service provider, Firstsource managed partners, rationalized it across applications, and leveraged AI/ML, process mining, and digital twin technology to overhaul processes and enhance operational efficiency.

How did we align our expertise to address the client's challenges and long-term objectives?

Firstsource effectively utilized specialized tools across hundreds of business-critical applications while upgrading the client's legacy core administration platform to identify root causes and streamline functions.

How did Firstsource make it happen for the client?

A representative from the health payer shared:

"We chose Firstsource for their strategic vision, expertise, and adaptable approach. They deployed cutting-edge tools to simplify our processes, which led to substantial cost savings."

How has Firstsource continued to support the health payer in optimizing its operations?

Firstsource has consistently offered support and guidance, utilizing insights to facilitate procedures, boost performance, and earn significant funds for the health payer.

What benefits has the client realized?

95%
enrolment automation

90%
automated premium reconciliation

>99%
claims financial accuracy

80%
first call resolution

Up to 95%
systemic auto adjudication

This comprehensive transformation considerably improved the overall experience for providers and members, positioning the health payer as a leader in value-based care.

Awards and accolades

Business honors that inspire and encourage

Named as a Leader and a Star Performer in Everest Group's Healthcare Payer Operations PEAK Matrix Assessment 2023

Named as a Major Contender by Everest Group's Revenue Cycle Management Operation PEAK Matrix Assessment 2023

Named as a Major Contender and Star Performer in Everest Group's Banking Operations Services PEAK Matrix Assessment 2023

Named as a Leader in ISG Provider Lens' Contact Center – Customer Experience Services Europe U.K. 2023

Named as a Leader in Cost Optimization & Revenue Generation Capability and Innovator in Customer Experience Improvement Capability, 2024

Named as a Major Contender in Everest Group's Intelligent Process Automation PEAK Matrix Assessment 2024

Positioned in Horizons 2 in HFS Horizon study on Customer Experience Services, 2024

Named as an Aspirant in Everest Group's Financial, Crime and Compliance Operations PEAK Matrix Assessment 2024

Named as an Aspirant in Everest Group's Marketing Services PEAK Matrix Assessment 2024

Bronze for 'Best Advancement in crafting an exceptional Learning and Development strategy' in Brandon Hall 2023 HCM Awards

Gold for 'Excellence in Leadership Development' in Brandon Hall 2023 HCM Awards

Best Practice & Best System – Outstanding Performance award 2023 Award

Level 3 Disability Confident Leader in the UK

Management Discussion and Analysis

Overview

At Firstsource Solutions Limited, we are a leading provider of tech-enabled business process solutions designed to solve our clients' business challenges and drive better outcomes. Our relentless focus on delivering results has earned us the trust of some of the most iconic and respected global brands across various industries, including healthcare, banking and financial services, communication, media, and technology and energy and utilities. By leveraging our deep domain knowledge and technology expertise, we help clients transform their operations, unlock growth, and deliver superior experiences to their end-customers. Above all, it's the passion and commitment of our employees that consistently adds value for our clients.

Industry and macro context

According to Everest Group, an industry research firm, the global business process services (BPS) market is estimated to have grown at 3.4% in FY24, compared to 10.7% and 7.5% year-over-year growth in FY22 and FY23, respectively. We observed a similar trend in the Indian BPS services market. Indian BPS exports are estimated to have grown at 2.6% YoY to USD 43.2 billion in FY24, according to NASSCOM, compared to 9.1% in FY23. The slowdown in global technology and BPS spending in FY24 was primarily due to the tightening of monetary policy in several key demand markets and geopolitical uncertainties in many parts of the world. These factors affected the overall growth of the world economy, leading to a more cautious approach to investments and delayed decision-making across markets and verticals.

3.4%

Estimated growth rate of the global BPS market in FY24

(Source: Everest Group)

Enterprises are dealing with ongoing macro uncertainty, which necessitates overhauling cost structures and improving operational efficiencies while innovating products and services. Concurrently, we are also seeing accelerated developments in generative AI and applied AI that have the potential to reshape the consumption pattern of end customers across verticals. In this background, clients are looking for a partner who understands their domain, can bring technology and operations together, and has the scale to execute effectively and efficiently. Companies that tick all three boxes, which are agile enough to respond to these fast-evolving market dynamics and at the same time have both the breadth and depth of domain knowledge and client relationships, are the ones who are growing ahead of the others.

Our strategy

The discontinuities caused by the macro and technology shifts will likely create market opportunities. We are well-positioned to take advantage of these opportunities. Our longstanding relationships with clients, including 18 Fortune 500 and three FTSE100 companies, our market leadership in identified segments well recognized by leading industry research and advisory firms, and the passion and commitment of our 27,940-strong workforce provide us with a solid foundation. We leverage this to execute the seven strategic imperatives forming the One Firstsource framework.

4,922

Net headcount addition in FY24

>55

Proof-of-concepts completed in specific areas of AI deployment in our clients' operations in FY24 in the US on IT/ technology annually

Our comprehensive understanding of our customers' operations and our recognized ability to integrate technology and operations to deliver business outcomes is helping us disrupt traditional people-based execution models with 'tech+people' solutions built on cutting-edge automation and AI frameworks. Enterprises today face the challenge of rapidly reinventing their processes and systems for the emerging AI-first age. This approach needs an understanding of the emerging technologies and new ways of working while navigating challenges of cost management, data security and compliance. We have taken the lead in facilitating our customers' journey towards an AI-led transformation. FirstSense.AI is our proprietary framework to accelerate clients' AI deployment. In FY24, we completed over 55 proof-of-concepts on specific areas of AI deployment in our clients' operations. Of this, eight are currently getting piloted for scale deployment. We are also working on co-developing domain/function-specific large language models (LLMs) and technology companies to address new market opportunities. We are actively deploying AI internally to improve our efficiencies and the experience of our new-age workforce. In FY24, we introduced FirstCoLab, our initiative to engage Firstsourcers in AI engineering and FirstAsist proactively, our generative AI-based interactive tool for employees seeking information on organization-wide policies.

Our revamped go-to-market strategy, which has dedicated client partners for targeted accounts at its core, resonates well with our customers. Our focused approach to identifying growth opportunities, developing structured account plans, and nurturing transformational opportunities in our existing customers and an identified set of new logos is reflected in the strength of our current deal pipeline. At the same time, our streamlined organizational structure and focus on driving operational efficiencies should help us improve our profitability while prudently investing in accelerating business growth.

FY24 financial performance

For FY24, our revenues stood at ₹ 63,362 million or USD 765 million, indicating a 5.2% year-on-year growth in rupee terms and 1.1% growth in constant currency terms. Operating profit reached ₹ 6,962 million, marking a 23.6% increase from FY23 and resulting in an EBIT margin of 11%. Profit after tax for FY24 amounted to ₹ 5,147 million.

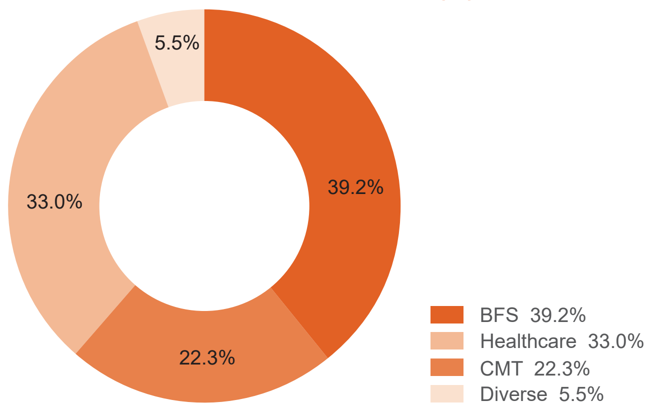
Our performance in FY24 was of contrasting halves, marked by flat revenues in the first half but significant traction in the second. Firstsource ended FY24 with the highest-ever net new ACV won in a year and exited with a robust and healthy deal pipeline. We are participating actively in clients' cost optimization, revenue generation, and technology transformation agendas, focusing on increasing our wallet share from existing customers and acquiring new clients.

Our top client renewed their contract with us for another decade, solidifying our position as their primary outsourcing partner. One of the UK's top five retail banks, with whom we have a two-decade relationship, selected us for a substantial transformational program that marked one of our largest deal wins in the last five years.

Vertical-wise performance

Our vertical portfolio includes four groups: banking and financial services (BFS), healthcare, communications, media, and technology (CMT) and diverse.

Vertical-wise revenue contribution (%)



Banking and financial services

The global banking and financial services industry faces headwinds from elevated interest rates. Furthermore, the 2023 United States banking crisis (series of bank failures and bankruptcies among small and mid-sized banks in early 2023) revealed vulnerabilities in the US banking system that have necessitated systemic reforms to safeguard consumer trust and the financial sector's stability. Regulatory pressures also increase financial crime and compliance and fraud operations processes. Similarly, the UK banking industry is grappling with economic uncertainty, political volatility, technology-driven margin pressures, and heightened customer expectations. These volatile market conditions have compelled banks and financial institutions to reassess their priorities. Thus, there is reduced discretionary tech spending, particularly in North America and Europe, as the urgency to manage costs effectively while adapting drives clients to evolve customer needs and industry dynamics.

The US mortgage sector was likewise affected by these market conditions. With mortgage rates remaining elevated, there was a notable impact on both loan volumes and overall market activity. Prospective homebuyers encountered difficulties due to decreased affordability, leading to a decline in demand. This trend also played a role in the downturn observed in the resale market. Loan origination volumes remain under pressure, and banks expect it to stay that way in the near term.

The US credit card industry, which plays a pivotal role in serving as a vital revenue stream and an essential avenue for consumer lending and transactional activities, has steadily increased credit card delinquencies since the fourth quarter of 2021, surpassing pre-pandemic levels. There is a notable rise in delinquencies among borrowers with high credit card utilization rates, indicating potential financial strain. The correlation between high utilization rates and future delinquencies highlights banks' importance in monitoring borrower behavior for insights into evolving delinquency patterns.

Our revenues from the BFS vertical degrew 3.1% YoY and contributed 39.2% to overall revenues in FY24. While the broader demand environment remained challenging, our efforts to fortify the sales and solutions team in this vertical saw substantial progress, helping Firstsource expand its footprints within existing clients and venture into adjacent segments with specialized offerings.

In the mortgage market, our technology-led proposition is resonating well with customers who are increasingly exploring non-linear execution models to prepare for a potential reversal in the cyclicality of the business. Our efforts to weatherproof our portfolio through expansion into servicing, reverse mortgage, and adjacent real estate sectors have also yielded results. Several of our large clients in this space are increasingly amenable to entrusting end-to-end responsibilities for functions to us versus the component-based model of the past. There is also a growing acceptance of offshore-based structures. This approach has helped us broad base our client portfolio in this market segment in terms of client profile and nature of services.

Management Discussion and Analysis

Our debt collection business exhibited steady growth in FY24, fueled by both new client acquisitions and expansion within existing accounts. Efforts are underway to transition execution to offshore or nearshore locations, aligning with evolving market dynamics and cost efficiencies.

In the banking and financial services vertical, Firstsource is a leading CX service provider, employing a strategic blend of voice and non-voice services to enhance efficiency and ensure equitable outcomes. We are seeing a notable trend towards offshore or nearshore operations, driven by ongoing cost challenges in the US and UK markets. We proactively engage with advisors and industry analysts to amplify our value proposition while targeting new segments within the financial services vertical, particularly in specialized services related to financial crimes and compliance. We are also making strides into building societies, next-generation banks and fintech players.

In FY24, we added 20 new logos in this vertical. Overall, we are encouraged by the good buildup in our deal pipeline in this vertical.

Healthcare

Firstsource operates in two key segments of the healthcare industry: providers, where our clients include over 1,000 hospitals in the US, and payers, where we work with seven of the top 10 health insurance/managed care services providers in the US.

1,000+

Hospitals in the US, and payers are Firstsource's clients

The US healthcare industry is seeing structural changes in the post-pandemic operative environment. Rising cost pressures, especially in staffing and talent acquisition, drive investments in offshore and nearshore delivery models alongside advancements in technology innovation, such as data analytics and AI. There's a notable shift towards consumerization, focusing on enhancing patient experience through personalized care and adopting solutions like digital front doors. Additionally, the industry is transitioning towards value-based care models, reflecting a projected increase in patients in the US covered under such programs. Meeting regulatory and compliance standards remains paramount, with continuous adjustments required for data management. Moreover, the convergence of payers and providers, mainly through provider-owned plans, reshapes the landscape. Technology disruption is driving the adoption of emerging technologies like robotic process automation (RPA), artificial intelligence/machine learning (AI/ML), and natural language processing (NLP), aiming to reduce costs, enhance quality, and improve customer service through effective non-voice channels such as AI-co-pilots, interactive voice response (IVR), and micro-sites.

US healthcare providers faced significant challenges due to the lingering effects of the COVID-19 pandemic and the public health emergency, lifted in May 2023. With patient volumes slowly returning to pre-pandemic levels and increasing costs, many hospitals still struggle to stay financially afloat. As a result, there is a growing realization of the need to focus on improving efficiency and productivity and optimizing revenue capture. To address these issues, healthcare providers have turned to third-party support to streamline their revenue cycle operations and manage expenses more effectively. The market for revenue cycle management solutions is estimated at USD 25 billion and is growing at 8-10% per year. Hospitals and healthcare systems increasingly embrace technology to improve patient care and operational efficiency. Digital and AI tools have become critical components in enhancing clinical decision-making and resource allocation.

USD 25 bn

Estimated market for revenue cycle management solutions

The healthcare payer space has a heightened focus on enhancing operational efficiency, streamlining administrative processes, and optimizing care delivery. There's a growing demand for BPaaS solutions to address these challenges by offering scalability, interoperability, information security, and support for value-based care. These solutions encompass broad-based, function-specific, and line-of-business (LoB)-specific offerings, providing tailored services to streamline operations and enhance member experiences while ensuring regulatory compliance. There is an increasing adoption of digital health solutions by insurers, such as telemedicine and remote monitoring, to expand virtual care options and improve care coordination. Payer organizations also placed a high priority on data analytics and predictive modelling to gain a better understanding of patient populations, identify high-risk individuals, and tailor interventions accordingly.

Our revenues from the healthcare vertical grew 4% YoY and contributed 33% to overall revenues in FY24. In the provider segment, we are proactively aligning with profitability-focused strategies of hospitals. We are expanding offshore capabilities to build adjacencies and drive accelerated growth within the existing client portfolio. Our acquisition of QBSS announced in May 2024 is in line with this strategy. We believe our tech-led offshore centric approach should help us gain share in the revenue cycle management (RCM) market from traditional players who have largely built a people-based business.

In the payer segment, Firstsource continues to focus on securing and expanding partnerships with major health plans, enhancing digital intake offerings, and developing business process as a service (BPaaS) solutions for the mid-market. Falling reimbursement rates have been putting significant pressure on the P&L of major health plans. Consequently, we are seeing a surge in transformative initiatives within the payor segment that is reflected in a 60% jump in our ACV wins in the segment in FY24 and our pipeline gives us confidence that the momentum should sustain in FY25.

60%

Jump in ACV wins in the healthcare segment in FY24

Communications, media and technology

Firstsource's communications, media and technology (CMT) vertical encompasses three primary segments: telecom and digital media, edtech, and consumer tech.

The sector has seen transformative changes in recent years due to rapid technological advancements, evolving consumer behaviors, and regulatory shifts. In the communications segment, established trends persist, with mobile data and M2M applications driving growth. Fixed data services expand and pay TV faces slight setbacks amidst rising VoD and OTT popularity.

Telcos are leveraging various foundational models, emphasizing API integration for seamless management of diverse generative AI models, driven by the need to enhance customer experience, improve network efficiency, and leverage data-driven insights across various departments. Media companies seeing financial impact from streaming platforms are intensifying cost reduction efforts while shifting focus towards technology solutions, driving efficiency, profitability, and adaptation to market trends. Streaming services have reshaped content consumption habits, leading to a decline in traditional TV subscriptions.

The edtech sector continues to grow within the CMT ecosystem, fueled by the rising adoption of digital learning and remote education platforms. This trend allowed edtech companies to deliver personalized learning experiences and innovative educational content. As the sector evolves, trends such as upskilling, AI-driven learning, and mental health focus shape its trajectory.

Consumer technology companies continued to innovate across diverse product categories, from smartphones and laptops to smart home devices and connected appliances. Advancements in AI, IoT, and voice recognition technologies drove the proliferation of intelligent devices that seamlessly integrated into consumers' daily routines, enhancing convenience, efficiency, and entertainment experiences. Moreover, expanding e-commerce platforms and digital marketplaces facilitate greater accessibility to cutting-edge gadgets and tech accessories, empowering consumers to stay connected and productive in an increasingly digital world.

Our revenues from the CMT vertical grew 11.6% YoY and contributed 22.3% to overall revenues in FY24. While the onshore to offshore business transition in our top client-as part of a 10-year contract extension-posed an optical headwind, we managed to minimize its impact by securing new business with the top client and expanding our presence with other clients. Our comprehensive service portfolio and position as a disruptive challenger brand have resonated well with both existing and new clients. We added four new logos in this vertical in FY24.

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Of the largest consumer tech companies in the world were supported in localizing their AI research teams by Firstsource

We are seeing a healthy momentum in our telecom and media business. Since companies in this segment are large but mature outsourcers, we are focusing on their transformation agenda and bringing in our entire service portfolio. Our proposition is resonating well with our existing clients and new logos. We see a healthy deal pipeline buildup in this segment, especially with the nextgen fiber companies.

In edtech, we actively work with multiple global providers, offering differentiated solutions that span the entire learner lifecycle from admissions to graduation. During the year, this segment saw significant progress with pipeline conversions and a large deal from Educational Testing Service (ETS). In October 2023, we launched our first global capability center for the edtech vertical in Hyderabad, focusing on assessment operations, data analytics, and emerging tech.

Firstsource's footprint in the consumer tech space continues to grow, particularly with marquee logos. Our non-traditional service propositions are gaining traction in the marketplace, supported by a healthy deal pipeline. Notable expansions include partnerships for training AI tools and supporting AI research teams in localization efforts for two of the largest consumer tech companies in the world.

Diverse

Our diverse segment comprises mainly of utilities. It grew at 132.3% YoY, accounting for 5.5% of the Company's overall revenues in FY24. There is a growing shift towards digitalization among utilities as their end customers increasingly seek seamless, tech-driven experiences. This trend entails accelerating investments in emerging technologies and capabilities and widespread integration of digital solutions throughout the organization. We continue to see robust demand in the energy market even as we make fresh inroads in our existing large client in this vertical.

Risks and concerns and their mitigation

The risk management report describes the Company's enterprise-wide risk management philosophy, structure, and practices. We caution readers that risk-related information outlined here is for information purposes only. This report contains forward-looking statements about risks and uncertainties affecting our business objectives. The business model is subject to uncertainties that could cause results to differ materially from those reflected in the forward-looking statements. Readers are requested to exercise their judgment in assessing the risks associated with the Company and review all the factors discussed elsewhere in this annual report. In today's dynamic environment, organisations face multiple risks and thus creating and sustaining the value for our stakeholders requires robust governance and a robust risk management function.

Our risk management framework

We have designed and implemented our risk management framework based on the COSO Framework (Committee of Sponsoring Organizations). This globally accepted and recognized framework provides guidance and thought leadership on enterprise risk management and internal controls. Enterprise risk management at Firstsource seeks to minimize the adverse impact of risks on key business objectives and enables the Company to leverage market opportunities effectively. We continuously track these risks with the help of Key Risk Indicators (KRIs) as defined by the risk management team and risk owners.

Risk management process

The Company has defined an integrated enterprise risk management and internal controls framework that encompasses both a top-down and a bottom-up risk assessment process.

Top-down: This approach is strategically crucial. It focuses on the broader cross-cutting risks and macroeconomic factors that affect the entire organization and the Company's ability to achieve our goals and strategic objectives. It should be at the forefront of the leadership's agenda.

Bottom-up: The bottom-up approach focuses on an in-depth assessment of the Company's business processes, our specific risks, and how we control these risks.

Aligning transactional risk data from operational risk registers, internal audits, and operational risk events with the broader enterprise-level risks identified through management discussions, workshops, and macroeconomic assessment will create a line of sight into what is causing an enterprise risk and how those risks could be mitigated or responded to. The risks are identified across the defined risk categories considering the Company's business objectives. The stakeholders with clearly defined roles and responsibilities at various levels take up the response, remediation, monitoring, tracking, reporting and review at defined periodicities.

Remuneration and financial incentives:

The company's remuneration system is aligned with risk management principles. At the highest level of the organisation, decisions on the remuneration of Firstsource's executive director and senior management incorporate the necessary precautions to avoid assuming excessive risks and rewarding unfavourable management results. The variable remuneration paid to the heads of departments that manage company risk (e.g. the departments of compliance, prevention of occupational risk, information security, etc.) is dependent upon the proper management, disclosure and integration of risks throughout the whole company.

Key business risks and their mitigation

The Company's critical business risks and their mitigation measures include:

Risks	Risk description
a. Strategic risks	
Growth risk	We derive most of our revenues from a few big US and UK-based clients. Hence, any economic slowdown or downturn in these economies and industries may affect the Company's business. Increasing technology disruptions and digitization trends have made inventing and adapting digital technologies imperative. Improper adaption could impact the Company's ability to grow. The Company's healthcare industry services are less prone to economic or recessionary cycles. However, the customer management business is relatively low-margin and more prone to economic variations. Hence, any technology disruption could see volume shrinkage and can have an adverse impact on growth. The Company's continued focus on creating the digital business practices has enabled us to offer differentiated, productized services across industry segments. We have based these services on digitization, robotics, artificial intelligence, and data analytics, and other technology-enabled solutions, which allow the Company to retain and grow our wallet share with our clients and win new logos. The Company has also ramped up efforts to establish new relationships in new-age economy businesses and won the first few logos, which will further diversify revenue and industry concentration.

Risks	Risk description
Country risk	The Company has a global footprint, with operations in multiple geographies, intermediate or operating subsidiaries and branches, and branches incorporated in India, the US, the UK, the Philippines, Mexico, and South Africa. Consequently, the Company is exposed to various geopolitical and regulatory risks that are beyond the Company's control. The Company has local management teams in all our operating countries, and they understand the country-specific operating nuances. The Company has also invested significantly in creating a management structure in these geographies and has a well-diversified geographic spread to mitigate these risks.
b. Industry and macroeconomic risks	
Long selling cycle	The Company's selling cycle for BPS ranges from months to multiple years and requires significant capital, resources, and time from both clients and the Company. Furthermore, due to the COVID-19 pandemic, the decision process for existing and prospective clients has slowed down due to reprioritization. This trend leads to the risk of delays, over which the Company has little or no control. The Company has robust marketing, sales and business development teams across geographies with an aggressive transition methodology that helps transition new wins fairly quickly into service delivery mode. Most contracts with existing clients are long-term, ensuring sustainable and scalable business from such clients.
Highly-competitive environment	The market for BPS has become highly competitive over the years. These competitors include third-party 'pure play' BPS providers based largely in India and the Philippines, local/onshore BPS providers in the US and UK, BPS divisions of global IT companies and in-house captives of potential clients. The Company understands that we need to retain and grow our leadership in the industry. To maintain this competitive edge, we invest significantly in strengthening domain expertise, digital capabilities, process excellence, operational prowess, and innovation quotient and creating a robust transformation framework. These measures will help us differentiate ourselves vis-à-vis competition and aid non-linear growth in revenues and margins.
C. Financial risks	
Currency volatility	The exchange rate between INR and GBP, INR and USD, has been volatile in recent years, and these currencies may continue to fluctuate significantly in the future as well. The Company's operating results will continue to be impacted by fluctuations in these exchange rates. The Company has a dedicated treasury function and an internal foreign exchange risk management policy that proactively hedges exposures. Per the internal guidelines, the Company has been judiciously hedging our net exposures regularly through forward cover contracts and other suitable products.
Customer credit risk	This risk is the possible inability to collect from clients or delays in collecting the Company's dues. While this risk did not impact us in the current year the pressure will continue in FY25 due to the adverse impact on the overall liquidity situation and challenges faced by clients' businesses. This could have an impact on the Company's cash receivables, and the Company may be required to enhance our short-term line of credit temporarily, to continue our operations. The Company addresses this risk through a well-defined governance mechanism to ensure adequate liquidity and solvency.
Liquidity and solvency risk	The Company operates through legal entities in multiple countries and is subject to various standards and principles for accounting and reporting. Any material change in the standards will impact the Company's financial reporting. Furthermore, the Company uses financial leverage to ensure optimum solvency. Timely borrowing, repayment, and raising funds at the right cost are important aspects of financial management, which would otherwise adversely impact profitability and solvency. The Company has implemented a robust internal financial controls framework that helps mitigate these risks.

Management Discussion and Analysis

Risks	Risk description
D. Operational risks	
Non-renewal of key client contracts	The Company continues to maintain existing accounts and acquire new clients. We constantly endeavor to grow existing client businesses and add new clients to our portfolio. The contracts with clients are of varying duration, between one and ten years. After the term expires, we put out our contracts for tender through a procurement process. Non-renewal may significantly affect the Company's revenues. The Company recognizes that providing excellent services and constant value enhancement is critical to ensuring a high chance of contractual renewal at the expiry of the term. The Company's sales and CRM teams constantly strive to enhance their relationships with key stakeholders to position the Company's services favorably.
Cybersecurity/Data privacy risk	As part of the services offered to our clients, we handle confidential data and proprietary information. Any leakage of this information harms the Company's reputation. The Company faces heightened cybersecurity risk due to possible attacks on data centers and technology infrastructure. We address this risk through a robust information and data security, privacy, and cybersecurity framework and processes that applies to all our offices and employees. Various operation centers are ISO 27001-certified, which is an international standard for Information Security Management Systems (ISMS). Additionally, many processes are certified with HIPPA, HITRUST, and SOC2 accreditations. Audits are conducted on a periodic basis, and any non-conformance observed is fixed immediately. The Company adopts a zero-tolerance policy towards non-compliance with this framework. We have also deployed various technical controls at the network perimeter, servers, network devices, data centers and end-user computing. Threat and vulnerability management: Early detection of core infrastructure vulnerabilities ensures proactive mitigation. Our comprehensive technical compliance check through a third party covers the following: • Vulnerability assessment and penetration testing • Segmentation penetration testing • Web application security assessment • Approved scanning vendor for Payment Card Industry Data Security Standard • Desktop scans for Payment Card Industry Data Security Standard • Source code review • Cloud infrastructure review • Network configuration review • Security operations center and digital footprint monitoring – continuous monitoring 24/7 monitoring helps reinforce our security posture while preventing, detecting, analyzing, and responding to real-time cybersecurity incidents. Digital footprint monitoring is done through a security scorecard that rates the cybersecurity postures of corporate entities by completing a scored analysis of cyber threat intelligence. The end users must go through a highly-secure virtual private network with two-factor authentication. We protect end-user computing with endpoint detection and response, data loss prevention, encryption, and domain name system layer security. Internet access is managed through a proxy, blocking risky sites and all e-mails are protected by a secure mail gateway that protects them from malware, spam, phishing, ransomware, spoofing, and more. • All O365 channels are protected with data loss prevention. • Servers are protected with best-in-class endpoint detection and responses/extended detection and responses. • Login to servers is through a secure channel using a privileged access management tool with two-factor authentication.
Risks due to operational errors, frauds and internal non-compliances of policies and procedures	The Company has internal policies, procedures and norms for operational activities, process compliance and controls. These norms are specified to achieve various control objectives and to prevent fraud and errors. Non-adherence to such internal policies, procedures, and norms, can therefore, lead to operational errors, fraud, and internal non-compliance. The Company has strong internal controls to check compliance with policies and procedures operated by various levels of management. Furthermore, these controls are also subject to risk-based internal audits by an independent internal audit team, which helps identify and remedy gaps promptly.
Reputational risks	Our clients are big and reputed corporates. A loss of reputation can adversely affect our operations and contractibility. As a public company, we are scrutinized by many constituents including the media. We have not been impacted by any event that could jeopardize our reputation in the past. Our well-managed operations do not expose our employees and clients to major risks. Moreover, our communications setup is always proactive in managing minor situations that may arise.
Legal risks	The Company has long-term contracts with our customers, and we deliver our services under these contracts from several offices across the US, the UK, India, Mexico, South Africa, and the Philippines. Additionally, to deliver on the various service level commitments, the Company also needs to ensure compliance with applicable laws and regulations in those geographies, including but not limited to employment, tax, and environmental laws. Additionally, the Company must safeguard our intellectual properties against infringement and ensure compliance with third-party licenses used in our day-to-day business. The Company has a legal team in place, which, in addition to advising and ensuring documentary safeguarding, closely works with business and support functions to enable compliance with contractual and/or regulatory requirements.
E. Human resources risks	
Risk related to attrition	Continuous talent availability and upskilling are crucial drivers of achieving our business objectives. The ever-accelerating war for talent, the changing needs of a multi-generational workforce, and the limited supply of employable talent poses a significant challenge to retaining a talented workforce and maintain consistency in performance. We continuously strengthen our internal processes to retain critical people, create longevity of talent, and maintaining a steady talent supply. The Company has put in place the following measures to mitigate the risks around attrition and attrition costs: • Enhancing and developing skills of the first-line managers • Focusing on upskilling and reskilling by providing and developing effective training academies and supporting employee development programs. • Carving structured and strong career paths and providing opportunities for growth through job enlargements, enrichment of responsibilities and internal job movements. • Effective reward and recognition programs that celebrate successes and efforts.
Risk related to ability to recruit employees at a large-scale and manage inflationary wage costs	Our success depends on our ability to attract and retain large numbers of employees with the right skill sets and experience to meet organizational goals. With talent shortages and intense competition for skilled individuals, the demand for qualified employees will continue to increase and is expected to remain high. Wage inflation and replacement costs not only bear a potential risk but also result in higher personnel expenses and training costs. The Company has developed innovative recruitment channels and practices to mitigate these risks, which include: • Strong employee referral programs contribute to more than one-third • Establishing ourselves as an employer of choice and participating in several career events to strengthen the Firstsource brand and getting access to talent • Affiliations with colleges at graduate and undergraduate levels to be the preferred employer in tier-II and III cities. • Implement a strategy for campus/apprentice hiring to directly attract fresh talent from colleges and build a future-oriented hiring pipeline through campus recruitment.

Risks	Risk description
Risk related to leadership team and succession planning	The leadership team drives our Company's vision and strategy and inculcates values within the Company to meet our goals. If leadership changes or a critical resource leaves the Company, business continuity, client relations, and employee engagement will be affected. Our integrated approach to talent management ensures that the Company has the desired leadership and management capability to meet the demands of the business. The integrated approach comprises the following: • A total rewards philosophy ensures that the compensation aligns with the market standards, and it attracts and retains the right talent, and rewards high performance. • Succession planning for business-critical roles and people growth opportunities in line with their career aspirations.
Risk of unethical business practices/ misconduct	The BPS industry is people-centric with a large employee base across cultures and geographies. It also has client-driven incentive programs in many businesses, which may lead to acts of potential misconduct cases and resultant client or reputational issues. The Company has a well-defined code of conduct which every employee is trained on and certifies to comply with. The Company also has a robust whistle-blowing mechanism which enables employees to report any misconduct, which is independently investigated and remediated. We also have a variety of training/refresher programs throughout the year. Additionally, the Company has a systematic background check verification program (for employees) and a due diligence process (for vendors/third parties) the appointment stage. The Company demonstrates zero tolerance towards cases of unethical business practices or misconduct.
F. Compliance risks	
Compliance and regulatory risks in various geographies	As we have grown, our geographic presence, customer base, and exposure to various regulatory and compliance risks have also increased. The Company has a relatively high proportion of regulated businesses in our overall portfolio, which enhances the regulatory risk. The Company's operations and clients are spread across multiple geographies and are governed by various regulations and government guidelines. Breach of any of these regulatory provisions can attract regulatory inspection, notices, penalties, and revocation of permits or licenses. The Company has implemented a robust regulatory and contractual compliance framework to identify, assess, monitor, control, and report compliance status concerning laws and regulations specific to the country we operate in, and the client-specific work in a consistent manner for our businesses across the globe. The framework ensures we align compliance ownerships, keep responsible personnel aware, report compliance status, and take necessary actions to comply. All laws and regulations are verified for applicability, detailed at the provision level, and tracked for compliance at the function and location level.
G. Technology risks	
Advent of disruptive technologies	The overall business environment continues to witness emerging disruptive technologies. However, clients seek to cut additional back-office costs due to continued budget pressures, while suppliers try to create additional services and associated revenues. Technologies such as cloud computing, artificial intelligence, data analytics software, social media platforms, and process automation software are being used in the BPS industry to enable businesses to lower costs and be more effective. BPS companies are moving fast to offer additional value-added services through technology enablement, partnerships, and alliances. As part of our productization initiatives, the Company has developed a comprehensive suite of digital solutions for robotics process automation and digital analytics. A combination of domain and process expertise with best-in-breed technology is helping the Company pursue significant opportunities.

Discussion on financial position relating to operational performance

Shareholders' funds

The authorized share capital of the Company is ₹ 8,720.00 million with 872 million equity shares of ₹ 10 each. The paid up share capital as on March 31, 2024, stands at ₹ 6,969.91 million compared to ₹ 6,969.91 million as on March 31, 2023.

There is no increase in equity share capital.

The other equity of the Company increased from ₹ 26,698.54 million to ₹ 30,034.12 million. The details of increase in reserves and surplus by ₹ 3,335.58 million are as below:

Particulars	Amount (₹ mn)
Increase on account of:	
Profit for the year less appropriation	4,974.60
Effective portion of cash flow hedges	186.07
Exchange difference on consolidation of non-integral subsidiaries/entities	311.51
Treasury shares (Net)	450.41
Decrease on account of:	
Employee stock option reserve	(181.07)
Dividend (Net)	(2,405.94)
Net increase in reserves and surplus	**3,335.58**

Minority interest

Minority interest is created on account of 74% consolidation of Firstsource Dialog Solutions (Private) Limited, Sri Lanka.

Minority interest as on March 31, 2024, is ₹ 3.84 million compared to ₹ 3.50 million as on March 31, 2023.

Long-term borrowings

Unsecured long-term borrowings represent loan from banks and non-banking financial companies.

Unsecured long-term borrowings outstanding as on March 31, 2024, were ₹ 42.17 million compared to ₹ 1,393.66 million as on March 31, 2023. The net decrease was majorly on account of repayment of long term borrowings.

Deferred tax liabilities

Deferred tax liabilities as on March 31, 2024, were ₹ 1,470.38 million compared to ₹ 1,195.98 million as on March 31, 2023. This is majorly due to utilisation of deferred tax on provision for onerous contracts and business losses during the year.

Lease liabilities

Lease liabilities for the Company as on March 31, 2024, were ₹ 7,209.19 million and for March 31, 2023, were ₹ 5,661.84 million. The increase is on account of new premises taken on lease.

Provisions

Provisions represents provision for onerous contracts, gratuity and compensated absences liability to employees based on actuarial valuation done by an independent actuary. These provisions as on March 31, 2024, were ₹ 654.68 million compared to ₹ 963.46 million in March 31, 2023. The decrease in short term provisions from last year is due to provision for onerous contracts utilized during the year.

Short-term and other borrowings

Short-term borrowings as on March 31, 2024, were ₹ 8,080.92 million compared to ₹ 6,876.09 million as on March 31, 2023. The increase is on account of additional line of credit from banks netted off by decrease in current maturities of long term borrowings.

Trade payables

Trade payables as on March 31, 2024, were ₹ 3,055.81 million compared to ₹ 2,314.46 million as on March 31, 2023.

Other financial liabilities

Other financial liabilities as on March 31, 2024, were ₹ 2,047.30 million compared to ₹ 3,737.37 million as on March 31, 2023. The decrease in other financial liabilities is majorly on account of decrease in liability for purchase of Non-controlling Interest.

Other liabilities

Other current liabilities as on March 31, 2024, were ₹ 1,056.96 million compared to ₹ 828.87 million as on March 31, 2023. The increase in other current liabilities is on account of liability towards customer contracts.

Goodwill

Goodwill as on March 31, 2024, was ₹ 29,884.90 million compared to ₹ 29,449.76 million as on March 31, 2023. The increase in goodwill during the year was ₹ 435.14 million due to restatement of non-integral foreign subsidiaries at year end exchange rate.

Fixed assets

The net block of tangible assets, intangible assets and capital work-in progress and intangible assets under development amounting to ₹ 2,460.91 million as on March 31, 2024, compared to ₹ 2,788.59 million as on March 31, 2023, resulted in a net decrease of the assets to the extent of ₹ 327.68 million.

This is majorly due to net additions of ₹ 707.49 million and by upward exchange rate impact of ₹ 36.60 million and depreciation charge for the year amounting to ₹ 1,208.44 million.

Right of use assets

Right of use assets of the Company was ₹ 6,355.29 million on March 31, 2024, and ₹ 4,958.29 million on March 31, 2023. The increase is due to net additions in leases of ₹ 2,720.07 million and upward exchange rate impact of ₹ 70.73 million offset by depreciation charge for the year amounting to ₹ 1,393.80 million.

Investments

The investments of the Company represent non-current investments of ₹ 115.05 million and current investments of ₹ 300.27 million as on March 31, 2024, compared to ₹ 115.59 million and ₹ 595.50 million, respectively as on March 31, 2023.

Deferred tax assets

Deferred Tax assets of the Company as on March 31, 2024, were ₹ 2,920.61 million compared to ₹ 2,948.06 million as on March 31, 2023.

Income tax assets

Income Tax assets of the Company as on March 31, 2024, were ₹ 808.79 million compared to ₹ 786.49 million as on March 31, 2023.

Other non-current assets

The other non-current assets of the Company as on March 31, 2024, were ₹ 2,086.10 million compared to ₹ 1,025.95 million as on March 31, 2023. This increase is due to increase in non-current portion of deferred contract cost.

Trade receivables – billed

Billed trade receivables amount to ₹ 8,606.78 million (net of provision for doubtful debts amounting to ₹ 848.22 million) as on March 31, 2024, compared to ₹ 6,800.47 million (net of provision for doubtful debts amounting to ₹ 515.50 million) as on March 31, 2023. These receivables are considered good and realisable.

The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the Company's ability to settle claims. Provisions are generally made for all receivables outstanding for more than 180 days as also for others, depending on the management's perception of the risk. Debtors' days as on March 31, 2024 (calculated based on per-day sales in the year) were 50 days, compared to 41 days as on March 31, 2023. The Company constantly focuses on reducing its receivables period by improving its collection efforts.

Trade receivables – unbilled

Unbilled trade receivables amount to ₹ 3,001.40 million as on March 31, 2024, compared to ₹ 3,584.40 million as on March 31, 2023.

Cash and bank balances

Cash balance represents balance in cash with the Company to meet its petty cash expenditures. The bank balances in India include both Rupee accounts and foreign currency accounts. The bank balances in overseas current accounts are maintained to meet the expenditure of the overseas subsidiaries and branches. The cash and bank balance as on March 31, 2024, was ₹ 1,747.74 million compared to ₹ 1,515.40 million as on March 31, 2023. This increase in cash was due to cash generated from operating activities offset by cash used in payment of dividend, repayment of borrowings and repayment of other financial liabilities.

Other financial assets

Other Financial Assets as on March 31, 2024, were ₹ 919.44 million compared to ₹ 528.20 million as on March 31, 2023. The increase in these assets was on account of increase in deposits and foreign currency forward contracts.

Other current assets

The other current assets of the Company as on March 31, 2024, were ₹ 1,486.16 million compared to ₹ 1,506.78 million as on March 31, 2023. This decrease is majorly due to decrease in prepaid expenses.

Results of operations

The table below sets forth, for the periods indicated, certain income and expense items for the Company's consolidated operations:

Particulars	FY 24		FY 23	
	(₹ mn)	% of income	(₹ mn)	% of income
Income from services	63,325.28	-	59,859.27	-
Other operating income	37.17	-	363.91	-
Revenues from operations	**63,362.45**	**100%**	**60,223.18**	**100%**
Expenditure				
Personnel cost	39,093.25	61.7%	38,674.81	64.2%
Other expenses	14,704.80	23.2%	13,283.32	22.1%
Operating EBITDA (earnings before interest, tax and depreciation)	9,564.40	15.1%	8,265.05	13.7%
Depreciation and amortisation	2,602.24	4.1%	2,631.70	4.4%
Operating EBIT (earnings before interest and tax)	6,962.16	11.0%	5,633.35	9.4%
Finance charges	1,033.85	1.6%	789.70	1.3%
Share in net (profit)/loss of associate	-	-	-	-
Other income	368.44	0.6%	1,308.50	2.2%
Profit before exceptional item and tax	6,296.75	9.9%	6,152.15	10.2%
Profit before tax	**6,296.75**	**9.9%**	**6,152.15**	**10.2%**
Provision for taxation				
- Current tax expense (including MAT)	900.54	1.4%	657.63	1.1%
- Deferred tax charge	248.96	0.4%	357.40	0.6%
Profit after tax before minority interest	5,147.25	8.1%	5,137.12	8.5%
Minority interest	**(0.04)**	**0.0%**	**(0.08)**	**0.0%**
Profit after tax	**5,147.29**	**8.1%**	**5,137.20**	**8.5%**

Income

Income from services

Income from services increased by 5.8% to ₹ 63,325.28 million in FY 24 from ₹ 59,859.27 million in FY 23. The Company attributes this increase in its income from services to new business from existing clients and addition of few new clients. The average exchange rate for consolidation of subsidiaries for USD and GBP in FY 24 was ₹ 82.78 per USD and ₹ 104.05 per GBP compared to ₹ 80.27 per USD and ₹ 96.73 per GBP in FY 23.

Consolidated revenues by segment

The Company serves clients for banking and financial services, healthcare, communication, media and technology and diverse industries. Clients from banking and financial services accounted for 39.3% (FY 23: 42.9%), clients from healthcare accounted for 33.0% (FY 23: 33.5%), clients from communication, media and technology accounted for 22.3% (FY 23: 21.1%), clients from diverse industries accounted for 5.4% (FY 23: 2.5%) of the income from services in FY 24.

The following table gives a segment-wise breakdown of the income from services for the corresponding periods:

(₹ mn)

	FY 24	FY 23
Business segment		
Banking and financial services	24,856.63	25,652.81
Healthcare	20,874.04	20,063.14
Communication, media and technology	14,113.39	12,644.53
Diverse industries	3,481.22	1,498.79
Total	**63,325.28**	**59,859.27**

Consolidated revenues by geography

The Company serves clients in the US, the UK and India. Clients from the US accounted for 64.8% (FY 23: 66.0%), clients from the UK accounted for 35.1% (FY 23: 33.0%), clients from India accounted for 0.1% (FY 22: 1.0%). The following table gives a segment-wise breakdown of the income from services for the corresponding periods:

(₹ mn)

	FY 24	FY 23
Geography		
UK	22,239.21	19,773.83
USA	41,012.03	39,461.79
Asia	74.04	623.65
Total	**63,325.28**	**59,859.27**

Management Discussion and Analysis

Client concentration

The following table shows the Company's client concentration by presenting income from the top client and top five clients as a percentage of its income from services for the periods indicated:

(₹ mn)

	FY 24		FY 23	
	Amount	%	Amount	%
Client concentration to revenues				
Top client	8,867.91	14.0%	9,184.28	15.3%
Top five customers	22,937.78	36.2%	22,272.82	37.2%
All clients	63,325.28	100.0%	59,859.27	100.0%

In FY 24, the Company had top client accounting for 14.0% of the income from services compared to top client accounting for 15.3% of its income from services in FY 23.

The Company derives a significant portion of its income from a limited number of large clients. In FY 24, the Company had 20 clients contributing individually over ₹ 500 million each in annual revenues compared to 17 in FY 23. In FY 24 and FY 23, income from the Company's five largest clients amounted to ₹ 22,937.78 million and ₹ 22,272.82 million respectively, accounting for 36.2% and 37.2% of its income from services respectively. Although the Company continues to increase and diversify its client base, it expects that a significant portion of its income will continue to be contributed by a limited number of large clients in the near future.

Other operating income

Other operating income of ₹ 37.17 million in FY 24 (FY 23: ₹ 363.91 million) includes exchange gain of on restatement and settlement of debtor balances and related gain/(loss) on forward/option contracts as these transactions relate to the operations of the Company.

Revenues from operations

The Company's revenues from operations increased by 5.2 % to ₹ 63,362.45 million in FY 24 from ₹ 60,223.18 million in FY 23 in rupee terms and grew by 1.1% in constant currency terms.

Expenditure

Personnel costs

Personnel costs increased by 1.1 % to ₹ 39,093.25 million in FY 24 from ₹ 38,680.41 million in FY 23, with the number of employees increasing to 27,940 as on March 31, 2024, from 23,018 as on March 31, 2023. As on March 31, 2024, 9,953 employees were employed outside India and 17,987 employed in India compared to 10,623 employees outside India and 12,395 employees in India as at end of FY 23.

Other expenses

Other expenses for FY 24 amounted to 23.2 % of the income for that period, compared to 22.0% of income in FY 23. Operating costs increased to ₹ 14,704.80 million in FY 24 from ₹ 13,277.72 million in FY 23. This increase is majorly due to increment in operating expenses with high variability.

Operating EBITDA (earnings before interest, tax and depreciation)

As a result of the continuing operations, operating EBITDA increased by ₹ 9,564.40 million to ₹ 8,265.05 million in FY 24. Operating EBITDA in FY 24 is 15.1% of income compared to 13.7% in FY 23.

Depreciation

Depreciation costs for FY 24 amounted to 4.1% of the income for that period, compared to 4.4% in FY 23. Depreciation increased year-on-year by ₹ 2,602.24 million in FY 24 from ₹ 2,631.70 million in FY 23.

Operating EBIT (Earnings before interest and tax)

Operating Earnings before Interest and Tax (EBIT) increased by ₹ 1,328.81 million to ₹ 6,962.16 million in FY 24 from ₹ 5,633.35 million in FY 23. Operating EBIT in FY 24 is 11.0% compared to 9.4% in FY 23.

Finance cost

Finance cost for FY 24 amounted to 1.6% of income for that period, compared to 1.3% of income in FY 23. Finance charges increased to ₹ 1,033.85 million in FY 24 from ₹ 789.70 million in FY 23.

Other income

Other income decreased to ₹ 368.44 million in FY 24 from ₹ 1,308.50 million in FY 23. The components of other income in FY 24 were profit from the sale/redemption of current investments of ₹ 62.11 million, loss on sale of fixed assets of ₹ 55.91 million, interest income of ₹ 9.88 million, foreign exchange loss of ₹ 17.08 million and other miscellaneous income, net of ₹ 335.28 million which is on account of changes in the fair value of the liabilities for purchase of non-controlling interest and contingent considerations respectively.

Profit before tax

Profit before tax increased to ₹ 6,296.75 million in FY 24 from a profit before tax of ₹ 6,152.15 million in FY 23. Profit before tax in FY 24 was 9.9% of the income, compared to 10.2% of the income in FY 23.

Provision for taxation

Provision for taxation increased to ₹ 1,149.50 million in FY 24, from ₹ 1,015.03 million in FY 23. Income tax expense comprises of current tax, net change in the deferred tax assets and liabilities in the applicable FY period and minimum alternate tax credit. Current tax expense comprises tax on income from operations in India and foreign tax jurisdictions.

The Company had the benefit of tax-holiday under Section 10AA under the Special Economic Zone scheme, since few of the centres in India are in special economic zones.

Current tax expense amounted to ₹ 900.54 million in FY 24 compared to ₹ 657.63 million in FY 23, and deferred tax charge of ₹ 248.96 million in FY 24 compared to a deferred tax charge of ₹ 357.40 million in FY 23.

Profit after tax before minority interest

As a result of the foregoing, profit after tax before minority interest increased to ₹ 5,147.25 million for FY 24 from profit after tax before minority interest of ₹ 5,137.12 million in FY 23.

Minority interest

Minority interest is ₹ (0.04) million in FY 24 compared to ₹ (0.08) million in FY 23.

Profit after tax

As a result of the foregoing, profit after tax to ₹ 5,147,29 million in FY 24 from profit after tax of ₹ 5,137.20 million in FY 2023-23. Profit after tax in FY 24 was 8.1% of the income, compared to 8.5% of the income in FY 23.

Liquidity and capital resources cash flows

The Company needs cash to fund the technology and infrastructure requirements in its operation centres, to fund its working capital needs, to pay interest and taxes, to fund acquisitions and for other general corporate purposes. The Company funds these capital requirements through variety of sources, including cash from operations, short and long-term lines of credit and issuances of share capital. As of March 31, 2024, the Company had cash and cash equivalents of ₹ 1,747.74 million. This represents cash and balances with banks in India and abroad.

The Company's summarized statement of consolidated cash flows is set forth below:

(₹ mn)

	FY 24	FY 23
Net cash flow from operating activities	6,447.91	7,950.23
Net cash flow generated from/(used in) from investing activities	(579.93)	163.53
Net cash flow used in financing activities	(5,641.87)	(7,433.83)
Cash and cash equivalents at the beginning of the year	1,515.40	828.20
Foreign exchange gain on translating Cash and cash equivalents	6.23	7.26
Cash and cash equivalents at the end of the year	1,747.74	1,515.40

Operating activities

Net cash generated from the Company's operating activities in FY 24 amounted to ₹ 6,447.91 million. This consisted of net profit before tax of ₹ 6,296.75 million and a net upward adjustment of ₹ 3,272.93 million relating to various non-cash items and non-operating items including depreciation of ₹ 2,602.24 million; net decrease in working capital of ₹ 2,404.02 million; and income taxes paid of ₹ 717.75 million. The working capital change was due to increase in trade receivables of ₹ 1,545.95 million, increase in loans and advances by ₹ 1,266.75 million and increase in liabilities and provisions by ₹ 408.68 million.

Net cash generated from the Company's operating activities in FY 23 amounted to ₹ 7,950.23 million. This consisted of net profit before tax of ₹ 6,152.15 million and a net upward adjustment of ₹ 1,689.04 million relating to various non-cash items and non-operating items including depreciation of ₹ 2,631.70 million; net increase in working capital of ₹ 764.96 million; and income taxes paid of ₹ 655.92 million. The working capital change was due to increase in trade receivables of ₹ 964.92 million, decrease in loans and advances by ₹ 647.07 million and increase in liabilities and provisions by ₹ 1,082.82 million.

Investing activities

In FY 24, the Company used ₹ 579.93 million of cash from its investing activities. These investing activities included capital expenditure of ₹ 850.43 million, including fixed assets purchased and replaced in connection with the Company's operation centres in the UK, the USA and India and net purchase of money and debt market mutual funds amounting to ₹ 324.34 million.

In FY 23, the Company generated ₹ 163.53 million of cash from its investing activities. These investing activities included capital expenditure of ₹ 536.22 million, including fixed assets purchased and replaced in connection with the Company's operation centres in UK, USA and India and net purchase of money and debt market mutual funds amounting to ₹ 637.42 million.

Financing activities

In FY 24, net cash used in financing activities amounted to ₹ 5,641.87 million. This comprised of repayment of long term borrowings of ₹ 1,609.77 million, proceeds from long term borrowings of ₹ 41.16 million, repayment of short term borrowings of ₹ 1,277.99 million. The Company paid towards purchase of Non-controlling Interest in a subsidiary of ₹ 583.32 million, interest of ₹ 1,010.70 million, purchase of treasury shares (net) of ₹ 58.85 million. During the year, the Company also paid dividend of ₹ 2,405.94 million to its shareholders and repaid lease liability of ₹ 1,410.14 million.

In FY 23, net cash used in financing activities amounted to ₹ 7,433.83 million. This comprised of repayment of long term borrowings of ₹ 424.96 million, proceeds from long term borrowings of ₹ 50.49 million, repayment from short term borrowings of ₹ 1,976.70 million. The Company paid towards purchase of Non-controlling Interest in a subsidiary of ₹ 276.40 million, interest of ₹ 787.42 million, purchase of treasury shares of ₹ 139.58 million. During the year, the Company also paid dividend of ₹ 2,384.45 million to its shareholders and repaid lease liability of ₹ 1,494.81 million.

Cash position

The Company funds its short-term working capital requirements through cash flow from operations, working capital overdraft facilities with commercial banks, medium-term borrowings from banks and other commercial financial institutions. As of March 31, 2024, the Company had cash and bank balances of ₹ 1,747.74 million compared to ₹ 1,515.40 million as on March 31, 2023.

Key financial ratios

(₹ mn)

Ratios	FY 24	FY 23
Debtors' turnover	7.36	8.80
Current ratio	0.9	0.9
Debt-equity ratio	0.2	0.2
Interest coverage	7.1	8.8
Operating EBITDA	15.1%	13.7%
Operating EBIT	11.0%	9.4%
Net profit margin	8.1%	8.5%

The table presents key financial ratios, as applicable, for Firstsource Solutions Limited.

Human resources

We at Firstsource believe our people strategy reflects our values, which serve as a moral compass for all our actions and decisions. Our people strategy revolves around four pillars that guide our people practices, align with our business strategy, and achieve overarching goals. We believe that aligning the HR strategy with our core values can attract and retain employees who share our principles and beliefs, thereby leading to a more engaged and productive workforce.

Partnering for business growth

As of March 31, 2024, Firstsource had 27,940 employees, reflecting a year-on-year increase of 4,922 compared to 23,018 employees on March 31, 2023.

Talent acquisition

The Company's hiring teams achieved a remarkable milestone by recruiting 20,136 individuals globally (since April 2023). We have achieved this increase in a commercial and timely manner with 99% adherence to delivery timelines required by the business. The team's dedication to hiring targets is a testament to the commitment to deliver exceptional value to business, and we are confident that our focus on top talent acquisition will continue to fuel our growth.

As part of our recruitment strategy, we are committed to nurturing young talent through trainee programmes. These programmes are a vital channel to attract young talent who aspire to excel in their careers. The Company's sponsorship of apprenticeship programmes in the UK and India is a testament to this commitment, and we look forward to welcoming more young talents into our fold.

In India, we hired 1,783 (hired) trainees under the National Apprenticeship Promotion Scheme (NAPS) and the National Apprentice Training Scheme (NATS) run by the government.

While delivering this growth, we have kept a sharp focus on our employee band and geography mix, a key factor in our business's long-term profitability and sustainability. Our band mix has improved to include 88.04% frontline employees against 87.1% in March 2023. The percentage of offshore employees has improved by 10.7%, with 68.7% of our workforce based in offshore locations, against 58.1% in March 2023. This strategic focus ensures the stability and growth of our business, providing our employees with a secure and sustainable work environment.

Talent retention

We remain committed to continuously improving our retention and believe that prioritising employee retention is critical to building a more robust and sustainable business in the long term.

As an outcome of our focused effort, overall attrition has reduced by 16.4% y-o-y from FY2022-23.

- Key components of our retention strategy are as follows:
- Improved sourcing.
- More vigorous background checks to ensure only the right-fit candidates join us.
- Early onboarding support.

Delivering meaningful employee experiences digitally

Our commitment to employee engagement is evident through diverse initiatives and programmes implemented across different locations and business units. These initiatives focus on nurturing and supporting employees with continuous training, development, engagement, and wellness initiatives.

Key communication forums

- **firstConnect:** firstConnect is our global digital platform for grievance resolution. An in-house developed tool aims to track and resolve employee concerns/feedback/grievances in a timely and effective manner through robust governance, thereby creating a delightful employee experience.
- **firstWorld:** firstWorld is our global digital internal communication platform where one can explore the world of Firstsource. It has everything about Firstsource and Firstsourcers. Company policies, HR tools, stories of Firstsource events happening across the globe, brand information and our initiatives are available on the intranet.
- **Goal cascade sessions:** These sessions explain the organisation and function goals to Firstsourcers to help them establish a better sense of direction and purpose and realize how their work contributes to attaining overall organisational objectives.
- **Skip-level meetings:** These are meetings between managers and team members of their direct reports. The purpose of a skip-level meeting is for managers to get to know the larger team better and for the team to provide feedback and suggest ways to improve team performance.
- **Open house:** These sessions are attended by all Firstsourcers to gain an understanding of the organisation's plans, goals, and updates and ask any questions they might have.
- **Let's Talk:** This is a forum where senior leaders interact with the larger teams and share their views, thoughts, and plans for the organisation. These sessions are inspiring for Firstsourcers as they get an opportunity to interact with senior leadership.

Wellness initiatives

Firstsource is a holistic approach towards employee wellness, supporting Firstsourcers across the globe. It includes regular support, training and programmes on mental health, physical health, social health, financial health, emotional health, and environmental health.

- **Mental health first aiders programme:** At Firstsource, we have a Mental Health First Aiders programme to help people achieve their full potential and cope with stress better. FSL has sponsored MHFA certification for our people and frontline managers to help them cope during difficult times and assist their team members.
- **Wellness Wednesday:** We hold Global Virtual Wellness sessions every Wednesday, spotlighting a specific wellness aspect. We have introduced Tai Chi, BollyX, and #WalkThisMay to keep Firstsourcers moving and grooving all year long. Through our transformative Virtual Health Session, we have enabled conversations on subjects like addiction, suicide, menopause, and mental health.
- **Silver Oak Health:** We have joined forces with Silver Oak Health, our Employee Assistance Programme partner. They offer professional counselling services by qualified and experienced clinical psychologists and psychotherapists. All their counsellors have received training in Cognitive Behavioural Therapy (CBT) and Positive Psychology. Silver Oak Health's EAP offerings include:
  - Face-to-face counselling.
  - Phone counselling.
  - Video call, chat, and e-mail channels.
  - Grief/Crisis management.
  - Critical incident stress debriefing (CISD).

Enabling career mobility – Wings Within

Firstsource believes in promoting talent from within the organisation. To identify talent internally, we have Wings Within, which acts as a growth mechanism where employees can explore opportunities both vertically and laterally. This provides a growth path for our employees. Wings Within provides all eligible employees a fair and equitable opportunity to grow within the organisation. It assesses the internal candidates transparently and objectively.

Our equal employment team conducts a rigorous selection process to choose the right employees from a pool of nominees based on business requirements.

Fostering a culture of recognition

Firstsource launched a recognition campaign called #AppreciationAmplified. It focuses on a specific monthly recognition theme to make it easier for employees to appreciate colleagues, leaders, managers, and co-workers who demonstrate qualities and behaviours aligned with the theme. The results have been heartening, with over 80,000 non-monetary appreciations given through the FirstReward platform this year. In addition, we have various business, functional, and global reward and recognition programmes focused on performance, core values, and delivering excellence, through which we have distributed over 26,000 monetary rewards this year.

- **Global leadership awards:** The Global Leadership Awards (GLA) are the most prominent forum for recognising and celebrating the achievements of leaders and their extraordinary contributions to business. After receiving 89 nominations across 11 award categories, 21 individuals and 20 high-performing teams emerged as winners following a rigorous evaluation process.
- **Group awards:** As part of the Group Foundation Day celebrations, the RPSG Group annually recognizes high performers across four categories – Outstanding Achiever Award, Young Achiever Award, Top Gear Award and Core Value Champion Award. These awards honour and recognize managers who can significantly contribute to the organisation's success by consistently exceeding or exceeding their job requirements. In addition, the Group recognizes employees across all its companies for their outstanding performance in 'Sangeet Sitara', a talent show. Having undergone a structured and rigorous nomination and screening process, four of our employees won Group Awards across Top Gear and Core Value Champion categories. We recognized them for their extraordinary contributions to the organisation's success.

Listening to employees through surveys

Firstsource believes in nurturing a work environment where employees feel valued and heard. To achieve this, we have implemented a robust survey programme enabling us to actively listen to employee feedback and insights.

The survey programme utilizes Viva Glint, a Microsoft survey management platform, to gather feedback on crucial employee engagement and experience drivers. We successfully conducted two Pulse surveys in June 2023 (with 69% participation and 87% overall favourability) and February 2024 (where we had 73% participation and 80% overall favourability).

Building a talented and diverse workforce

Opportunities to learn and grow

In FY 2023-24, we emphasized the importance of adapting to rapidly changing markets to sustain employee productivity and progress against business goals. We aim to cultivate a culture of continuous learning and curiosity, providing opportunities for reskilling and upskilling that cater to the diverse needs of our talent.

We encourage employees to take charge of their learning and career paths and commit to an Individual Development Plan (IDP) early in the year. Individuals could choose from diverse learning opportunities, including e-learning, facilitated workshops, webinars, gamified simulations, peer learning sessions, and other self-directed and external learning opportunities. As a result, 2,993 unique learners from the cohort of managerial employees consumed nearly 30,000 hours of learning, with an average of 6.24 hours per employee.

By participating in the Retention Amplified programme, our frontline leaders, hiring managers, and trainers contributed significant time to learning. They gained skills and toolkits to engage and assimilate new hires, which improved our early attrition numbers.

Around one-fourth of the learning effort was spent on Digital and AI-related topics, and Leaders participated in a Digital Learning sprint to quickly upskill themselves on the rapidly emerging technologies in our industry.

Inclusion and diversity

Firstsource's focus on diversity and inclusion has helped to create a holistic and productive workplace and has positioned Firstsource as an employer of choice for diverse talent.

At Firstsource, we value the diversity of cultures, identities, and perspectives of our global workforce. Our constant endeavour is to build a purposeful and intentionally inclusive workplace where all employees can bring their whole selves to work. We are committed to achieving this through continuous learning to strengthen our collective awareness and inclusion capability.

We embrace a culture of openness and respect and encourage candid conversations about inclusion and belonging through several forums.

For us, inclusion is a continuous journey of listening, learning, celebrating, and accomplishing more together. Some key facts are below:

- In the most recent employee survey, 84% of our employees agreed, "At this company, everyone can succeed to their full potential, irrespective of age, culture, gender, race or religious background."
- Women represent 44% of our workforce and occupy 32% of our leadership positions.
- Bloomberg Gender-Equality Index has recognized Firstsource in 2022 and 2023.
- Stonewall has also recognized Firstsource on LBGTQ practices and age collaboration networks.

Initiatives undertaken to promote inclusion and diversity

At Firstsource, we are deeply committed to fostering an inclusive and diverse workplace that celebrates our global workforce's richness of cultures, identities, and perspectives. Our dedication to inclusion and diversity (I&D) is integral to our organisational ethos. We aim to create a work environment that values, respects, and empowers every employee to bring their authentic selves to work. Some of our interventions are as follows:

- Women@Firstsource actively engages in external events to establish connections, gain insights into industry best practices, and integrate them into Firstsource's operations.
- WiN Wellness Sessions delved into crucial aspects of women's health and well-being, fostering a holistic approach to self-care and resilience. We empowered the participants to prioritize their physical, emotional, and mental wellness through engaging discussions and informative sessions. This year, we have hosted seven sessions.
- Over 3,000 employees participated in the International Women's Day events across the globe.
- We showcased 40 inspiring stories of Internal and external leaders under WiN Glories and Stories.
- Stellar-We mentoring programme is an exclusive development series for high-potential female leaders. Eight high-potential leaders are identified to participate in this journey, where they get an opportunity to be mentored by leaders from other organisations. This programme gives participants an outside-in perspective and learnings that help them navigate their career journeys.

Focusing on technology and sustainability

HR technology

We are incrementally building towards a digitally enabled, integrated experience across the employee lifecycle. Following the launch of FirstPlace in January 2023, Phase-II implementation introduced new and improved digital employee experience on employee lifecycle processes like Performance & Goal Management, Learning Management System, Compensation Management, Succession Planning and Career Development. With the completion of Phase-II Implementation, FirstPlace is a one-stop for all hire-to-retire activities in an employee life cycle. Our next focus is to enable a chatbot for query management. This move is a step towards automating routine tasks and providing employees with access to timely information and support, thereby enhancing employee experience and allowing HR to be a true strategic partner.

Automation and consolidation in HR processes

To continuously upgrade and improve our employees' experience, centralized support processes and teams were set up for the following employee services.

- Onboarding of employees
- Time and attendance support
- Background verification
- Employee query management
- Payroll processing support

Our dedicated HR operations team has taken a significant step in improving our processes. We have implemented Robotic Process Automation (RPA) to enhance the efficiency and reliability of onboarding and employee lifecycle management activities. This change is a testament to our commitment to providing our people with the best possible support.

A centralized HR analytics team has been set up to consistently track, analyse, and publish key HR metrics and other people-related data pertinent to our business.

Delivering community impact

As a purpose-led organisation, we are infusing sustainability into the core of our transformation and creating a tangible impact in the lives of our people, clients, shareholders, and the community. Overall, we have had 15,476 participants, enabling 604 unique events by contributing 14,730 hours to impact 45,978 lives and create 11,875 impacts on the planet.

Through CSR partners, we also support impact-sourcing projects in India. This year, we have partnered with 13 organisations, helping 500 underrepresented and unemployed youth, including people with disabilities, get career guidance and the opportunity to get screened for various job positions in Firstsource.

Community projects

Firstsource's CSR team spent 100% of the allocated ₹ 10.1 million on 14 projects across various places in India. Of the overall funds, we utilized 44% for 'Empowerment and Gender equality' projects. We allocated 28% towards education projects, followed by healthcare and environment, where the allocations were 20% and 8%, respectively. Through these projects, we impacted 12,603 lives and maintained 7,000 trees. We executed these initiatives through various non-profit partners. This effort excludes the CSR projects done through RPSG Group Trust.

Employee volunteering

Through the 'Every Leader a Volunteer' campaign, we saw an increase in global leadership participation. This year, around 128 D+ leaders contributed to the Community Outreach programme through their participation, contributing 660 hours, which comprised 22% of the overall leadership headcount. Firstsource's leaders empowered young minds through mentorship sessions, virtual classroom teaching, career guidance, women empowerment sessions, and livelihood support projects, and they shared their deep expertise by providing pro bono support in technology and consulting. They have also been a significant support for the launch and milestones of Firstsource's CSR projects.

Firstsourcers across the globe continued to share their time and knowledge through various events anchored by CSR/HR teams across all countries. Overall, we had 3,810 unique volunteers across the globe who contributed 14,730 hours of volunteering and impacted 38,094 lives.

- High-impact structured volunteering programmes like eVidyaloka virtual classroom teaching, FFE, and FEA mentorship continued to see traction among the employees where our employee volunteers are committed to providing long-term support spanning three to six months, teaching, or mentoring students.
- Volunteers in the UK, the US, and the Philippines participated in virtual expert sessions on environmental awareness, pride month celebrations, food packaging and distribution, and other activities to support our communities.
- In India, volunteers participated in various environmental activities such as clean-ups, plantations, farming, microgreen growing, and eco-friendly bag making. They also supported medical camps, conducted insightful sessions in children's homes and government schools, supported marathons, pro bono work for NGOs, and livelihood support for community well-being.

Firstsourcers worldwide continued showing their love and affection for communities by contributing regularly to charity through fundraising and employee giving programmes. Overall, 1,274 unique donors contributed an amount of ₹ 15,07,468. In the UK, employees donated to regular employee giving programmes and participated in various fundraising events.

Management Discussion and Analysis

- Volunteers from Manila and Cebu enabled the Christmas basket initiative in the Philippines by giving packaged foods to needy people from the employee contribution funds.
- In the US, employees supported causes such as Candy Drive for patients in children's hospitals, the Angel Tree initiative, and the Salvation Army.
- In India, the employee-giving programme positively impacted over 2,600 students through initiatives such as Gift a Smile, Book a Smile, and STEM lab.
- Across the globe, through various in-kind donations, employees donated stationeries, toys, clothes, and books for those in need.

Internal control systems and their appropriateness

Firstsource has institutionalized a system of internal controls, with documented procedures covering all corporate functions. Internal controls provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls, and compliance with applicable laws and regulations.

Cautionary statement

This document contains statements about expected future events, financial and operating results of your Company, which are forward-looking. By their nature, forward-looking statements require our Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forwardlooking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Firstsource Solutions Annual Report for the Financial Year 2023-24.

Corporate Information

Board of Directors	Designation
Dr Sanjiv Goenka	Chairman
Shashwat Goenka	Vice - Chairman
Vipul Khanna	MD & CEO (upto the closing business hours on August 31, 2023)
Ritesh Idnani	MD & CEO (w.e.f. September 01, 2023)
Pradip Kumar Khaitan	Non-Executive, Non-Independent Director
Subrata Talukdar	Non-Executive, Non-Independent Director
Sunil Mitra	Non-Executive, Independent Director
Vanita Uppal	Non-Executive, Independent Director
Utsav Parekh	Non-Executive, Independent Director
Rekha Sethi	Non-Executive, Independent Director (w.e.f. September 01, 2023)
T. C. Suseel Kumar	Non-Executive, Independent Director (w.e.f. September 01, 2023)
Pratip Chaudhuri	Non-Executive, Independent Director (upto the closing business hours on March 31, 2024)
Anjani K. Agrawal	Non-Executive, Independent Director (upto the closing business hours on May 10, 2024)
Dr Rajiv Kumar	Non-Executive, Independent Director (w.e.f. May 03, 2024)

COMPANY SECRETARY

Pooja Nambiar

COMMITTEE DETAILS

Audit Committee

Utsav Parekh - Chairman
Anjani K. Agrawal (upto the closing business hours on May 10, 2024)
Sunil Mitra
T C Suseel Kumar (w.e.f. May 11, 2024)
Subrata Talukdar

Nomination and Remuneration Committee

T C Suseel Kumar - Chairman (Appointed as a Member w.e.f. April 01, 2024 and Chairman w.e.f. May 11, 2024)
Anjani K. Agrawal - Chairman (upto the closing business hours on May 10, 2024)
Utsav Parekh (w.e.f. April 01, 2024)
Pratip Chaudhuri (upto the closing business hours on March 31, 2024)
Subrata Talukdar

Stakeholders Relationship Committee

Subrata Talukdar - Chairman
Vipul Khanna (upto the closing business hours on August 31, 2023)
Ritesh Idnani (w.e.f. September 01, 2023)
Anjani K. Agrawal (upto the closing business hours on May 10, 2024)
Rekha Sethi (w.e.f. May11, 2024)

Corporate Social Responsibility Committee

Shashwat Goenka - Chairman
Vipul Khanna (upto the closing business hours on August 31, 2023)
Ritesh Idnani (w.e.f. September 01, 2023)
Anjani K. Agrawal (upto the closing business hours on May 10, 2024)
Subrata Talukdar
Dr Rajiv Kumar (w.e.f. May 11, 2024)

Risk Management Committee

Shashwat Goenka - Chairman
Vipul Khanna (upto the closing business hours on August 31, 2023)
Ritesh Idnani (w.e.f. September 01, 2023)
Vanita Uppal
Dinesh Jain
Arun Tyagi (upto the closing business hours on January 18, 2024)

Investment Committee

Shashwat Goenka - Chairman
Vipul Khanna (upto the closing business hours on August 31, 2023)
Ritesh Idnani (w.e.f. September 01, 2023)
Subrata Talukdar

Strategy Committee

Shashwat Goenka - Chairman
Vipul Khanna (upto the closing business hours on August 31, 2023)
Ritesh Idnani (w.e.f. September 01, 2023)
Subrata Talukdar

Registered Office

Firstsource Solutions Limited
CIN: L64202MH2001PLC134147
5th Floor, Paradigm 'B' Wing,
Mindspace, Link Road, Malad (West),
Mumbai – 400 064, India.
www.firstsource.com

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
One International Center,
Tower 3, 27th -32nd Floor,
Senapati Bapat Road,
Elphinstone Road (West),
Mumbai – 400 013, India.

Major Bankers

Bank of the Philippines Islands
Barclays Bank Plc
Citibank, N.A.
DBS Bank India Limited
HDFC Bank Limited
HSBC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
Standard Chartered Bank
RBL Bank Limited
Kotak Mahindra Bank Limited
PNC Bank, N.A.
Nomura International PLC

Notice

NOTICE is hereby given that the 23rd Annual General Meeting (AGM) of the Members of Firstsource Solutions Limited will be held on Tuesday, July 30, 2024 at 10.00 a.m. Indian Standard Time ("IST"), through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") Facility to transact the following business/(es):

Ordinary business:

1. To consider and adopt:

   a) the audited financial statements of the Company for the financial year ended March 31, 2024 along with the reports of the Board of Directors and the Auditors thereon; and

   b) the audited consolidated financial statement of the Company and its subsidiaries for the financial year ended March 31, 2024 along with the report of the Auditors thereon.

2. To confirm the payment of Interim Dividend @ 35% (i.e. ₹3.50 per share) on Equity Shares of Rs. 10/- each, already paid for the financial year ending March 31, 2024.

3. To appoint a Director in place of Mr Subrata Talukdar (DIN 01794978), who retires by rotation and being eligible, offers himself for re-appointment.

Special business:

4. Continuation of Appointment of Dr Sanjiv Goenka (DIN 00074796) as Non-Executive, Non-Independent Director of the Company:

To consider and, if thought fit, to pass, with or without modification, the following resolution as **an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Regulation 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the SEBI Listing Regulations') (including any statutory modification/(s) or re-enactment/(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification/(s) or re-enactment/(s) thereof, for the time being in force), the Articles of Association of the Company, and basis the approvals and recommendations of the Nomination and Remuneration Committee and that of the Board of Directors, (hereinafter referred to as the "the Board" which term shall include any Committee of the Board), consent of the Members be and is hereby accorded for continuation of appointment of Dr Sanjiv Goenka (DIN 00074796) as a Director (designated as Non-Executive, Non-Independent Director) of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Appointment of Dr Rajiv Kumar (DIN 02385076) as an Independent Director of the Company:

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV, the Articles of Association of the Company and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/(s) or re-enactment/(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification/(s) or re-enactment/(s) thereof, for the time being in force) and basis the approvals and recommendations of the Nomination and Remuneration Committee and that of the Board of Directors, (hereinafter referred to as the "the Board" which term shall include any Committee of the Board), Dr Rajiv Kumar (DIN 02385076) who was appointed as an Additional Director of the Company by the Board w.e.f. May 03, 2024, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice from a Member proposing his candidature for the office of Director under Section 160 of the Act, and who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations and being eligible for appointment as an Independent Director, be and is hereby appointed as a Director of the Company and as an Independent Director, not liable to retire by rotation, on the Board for a term of three (3) consecutive years upto May 02, 2027.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment/ Continuation of Mr Pradip Kumar Khaitan (DIN 00004821), as a Director of the Company:

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modification(s) thereof), for the time being in force, and basis the approvals and recommendations of the Nomination and Remuneration Committee and that of the Board of Directors, approval of members of the Company be and is hereby accorded for continuation of Mr. Pradip Kumar Khaitan (DIN 00004821) in the capacity of a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Firstsource Solutions Limited
CIN: L64202MH2001PLC134147

Pooja Nambiar
Company Secretary
FCS No.: 10710

Registered Office:
5th Floor, Paradigm 'B' Wing,
Mindspace, Link Road,
Malad - (West), Mumbai - 400 064, India
Tel : +91-22-66660888
Fax: +91-22-66660887
https://www.firstsource.com/
Email: complianceofficer@firstsource.com

May 03, 2024

Notice

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 20/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the forthcoming AGM is being held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 23rd AGM through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, December 08, 2021, December 14, 2021, May 05, 2022 December 28, 2022 and September 25, 2023 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 23rd AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the 23rd AGM will be provided by CDSL.
3. The Members can join the 23rd AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 23rd AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 23rd AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 23rd AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 23rd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 23rd AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the 23rd AGM has been uploaded on the website of the Company at https://www.firstsource.com/. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The 23rd AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The 23rd AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this MCA's General Circular No. 20/2020, dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 05, 2022 , Circular No. 10/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 after due examination, it has been decided to allow companies whose AGMs are due in the year 2024, to conduct their AGMs on or before September 30, 2024 in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020.

Note for mutual funds/asset management companies:

Pursuant to SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021, it is mandated that Mutual Funds/ Asset Management Companies (AMCs) have to compulsorily cast their votes by exercising their voting rights in respect of their investments held in various companies through various Schemes, including passive investment schemes like Index Funds, Exchange Traded Funds etc., in respect of following resolutions with effect from April 01, 2021:

i. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring and antitakeover provisions;

ii. Changes to capital structure, including increases and decreases of capital and preferred stock issuances;

iii. Stock option plans and other management compensation issues;

iv. Social and corporate responsibility issues;

v. Appointment and Removal of Directors;

vi. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular;

vii. Related party transactions of the investee companies (excluding own group companies).

Further, SEBI vide its circular SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 has asked Mutual Funds/AMCs to compulsorily vote on above mentioned resolutions with. effect from April 01, 2021 and on all other resolutions with effect from April 01, 2022 on all resolutions.

Further, please note for whatever Resolutions mentioned in the Notice, Mutual Funds/AMCs are planning to vote, they should go through the relevant Resolution and statement pursuant to the provisions of Section 102 of the Act in detail and then take informed decision for voting.

The intructions of shareholders for e-voting and joining virtual meetings are as under:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on Thursday, July 25, 2024 at 9.00 a.m. and ends on Monday, July 29, 2024 at 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, July 23, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Notice

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.
	3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode:

(v) Login method for e-voting and joining virtual meeting for Physical shareholders other than individual shareholders holding in Demat:

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID.

   a. For CDSL: 16 digits beneficiary ID.

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/ mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id/ folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN - 240625017.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" as desired. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module;
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on;
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping;
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same; and
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; scrutinisers@mmjc.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for shareholders attending the AGM through VC/OAVM & e-voting during meeting are as under:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

Notice

4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

5. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

6. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 48 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at fsl@3i-infotech.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 48 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at fsl@3i-infotech.com. Queries raised will be suitably replied via email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those shareholders whose email/mobile no. are not registered with the company/depositories:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to fsl@3i-infotech.com.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

Other Guidelines for Members:

a. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of Tuesday, July 23, 2024.

b. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 23rd AGM by email and holds shares as on the cut-off date i.e. Tuesday, July 23, 2024, may obtain the User ID and password by sending a request to helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evotingindia.com.

c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.

d. Mr Omkar Dindorkar (Membership No. A43029), failing him Mr Saurabh Agarwal (Membership No. F9290), Designated Partners of M/s MMJB & Associates LLP, Practising Company Secretaries (email: scrutinisers@mmjc.in), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.

e. During the 23rd AGM of the Company, the Chairman shall propose to the Members who have not cast their votes through the remote e-voting process and are participating in the Meeting through VC/OAVM facility, to vote on the resolutions as set out in the Notice of the 23rd AGM of the Company.

f. The Scrutinizer shall after the conclusion of e-voting at the 23rd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favor or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, who shall then countersign and declare the result of the voting forthwith. The result of e-voting will be declared within two working days of the conclusion of the 23rd AGM.

g. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at https://www.firstsource.com/, the websites of NSE at www.nseindia.com and BSE at www.bseindia.com and on the website of CDSL at www.evotingindia.com, immediately after the declaration of Results by the Chairman or a person authorized by him. The result will simultaneously be communicated to the Stock Exchanges.

h. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 23rd AGM and the Annual Report for the financial year ended March 31, 2024 including therein the Audited Financial Statements for the financial year ended March 31, 2024 are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 23rd AGM and the Annual Report for the financial year ended March 31, 2024 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

   (i). For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to Registrar & Share Transfer Agents at fsl@3i-infotech.com.

   (ii). For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

i. The Notice of the 23rd AGM and the Annual Report for the financial year ended March 31, 2024 including therein the Audited Financial Statements for the financial year ended March 31, 2024 will be available on the website of the Company at https://www.firstsource.com/ and the websites of NSE at www.nseindia.com and BSE at www.bseindia.com. The Notice of 23rd AGM will also be available on the website of CDSL at www.evotingindia.com.

j. Corporate members intending to send their authorized representatives to attend the 23rd AGM are requested to send a certified true copy of the appropriate resolution/authority, as applicable, authorising their representatives to attend and vote on their behalf at the AGM.

k. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 24, 2024 to Tuesday, July 30, 2024 (both days inclusive) for the purpose of the AGM.

l. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, 3i Infotech Limited for assistance in this regard.

m. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of bank account details to their respective depository participant/(s). Members are requested to utilize the Electronic Clearing System (ECS) for receiving dividends.

n. Members are requested to address all correspondence, including on matters relating to dividends, to the Registrar and Share Transfer Agents, 3i Infotech Limited Tower #5, 3rd to 6th Floor, International Infotech Park, Vashi, Navi Mumbai – 400 703 or can email at fsl@3i-infotech.com.

o. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agent as mentioned above. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF).

p. The Statement pursuant to Section 102(1) of the Act in respect of the Special businesses under the Notice is annexed hereto. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members. Members seeking to inspect such documents can send an email to fsl@3i-infotech.com. The Board of Directors of the Company at its meeting held on May 03, 2024 considered that the special business under Item No. 4, 5 and 6, will be transacted at the 23rd AGM of the Company.

Notice

q. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

r. Members holding shares in electronic (dematerialised) form are advised to send the request/(s) for change pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), Mandates, Nomination, Power of Attorney, Change of Address, Change of Name, Email Address, Contact Numbers etc. to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its Transfer Agents to provide efficient and better services. The Company or its Registrars cannot act on any such requests received directly from the members holding shares in electronic form.

s. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account/ (s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.

t. Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information/ brief profiles about the Directors proposed to be appointed/ re-appointed at the AGM are given in the Annexure to this Notice.

u. Members desirous of getting any information about the accounts and operations of the Company are requested to write to the Company at least 7 days before the AGM to enable the Company to keep the information ready at the AGM.

Statement pursuant to the provisions of section 102 of the companies act, 2013

Item No. 4

The Members may note that pursuant to SEBI's amendment dated July 15, 2023, applicable with effect from April 01, 2024 read with Regulation 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of a Director serving on the Board of Directors of a listed entity shall be subject to the approval by the Members at a general meeting at least once in every 5 (five) years from the date of their appointment or reappointment, as the case may be.

Further, the continuation of director serving on the Board of Directors of a listed entity as on March 31, 2024, without the approval of the Members for a period of last 5 (five) years or more shall be subject to the approval of Members in the first general meeting to be held after March 31, 2024.

Dr Sanjiv Goenka (DIN 00074796) was appointed as the Director of the Company w.e.f. December 03, 2012 not liable to retire by rotation and presently he is the Chairman of the Board of the Company.

Accordingly, Dr Sanjiv Goenka's (DIN 00074796) continuation as a Director is subject to the approval of the members of the Company.

Members may note that Dr Sanjiv Goenka, has played a pivotal role as the Chairman and Board Member of Company.

Dr Sanjiv Goenka's brief profile is given below:

Dr Sanjiv Goenka is the Chairman of the 7 billion dollar RP Sanjiv Goenka Group. The Group has 50,000 employees worldwide and more than one million shareholders.

Dr Goenka was the youngest ever President of the Confederation of Indian Industry (CII) as also the youngest ever President of the Indian Chamber of Commerce (ICC). He was the former President of the All India Management Association (AIMA).

Dr Goenka has served as the Chairman of the prestigious Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) for a record four terms and also was the Chairman of the Board of Governors of Indian Institute of Technology, Gandhinagar (IIT-GN). He is the Chairman of the reputed International Management Institute (IMI) of Delhi, Kolkata and Bhubaneswar.

Dr Goenka has consistently been ranked in the top 25 in India Today's list of 50 Most Powerful People in India over the last seven years.

The Board believes that his continuation and guidance on the Board will significantly contribute to Company's growth and long-term value creation.

In view of the above and after careful consideration of his performance over the past years and on recommendation of the Nomination and Remuneration Committee, the Board, subject to approval of the Members, approved the continuation of Dr Sanjiv Goenka as Non-Executive and Non-Independent Director not be liable to retire by rotation.

Dr Sanjiv Goenka may be deemed to be concerned or interested in the resolution under Item No. 4 of the accompanying Notice in respect of his aforesaid appointment.

Except Mr. Shashwat Goenka, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said Resolution in the accompanying Notice.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) is provided under Annexure-I attached to this Notice.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience of Dr Sanjiv Goenka, the members are requested to approve the continuation of appointment of Dr Sanjiv Goenka as an Non-Executive, Non-Independent Director.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5

The Board, based on the recommendations of the Nomination and Remuneration Committee ("NRC"), at its meeting held on May 03, 2024 had appointed Dr Rajiv Kumar (DIN: 02385076) as an Additional Director of the Company (in the capacity of Independent Director) for a term of three (3) consecutive years with effect from May 03, 2024 till May 02, 2027, not liable to retire by rotation, subject to approval of the Shareholders.

The Company has received, inter alia, the following consents, declarations and confirmations from Dr Rajiv Kumar with regard to the proposed appointment:

- Consent to act as Director of the Company in terms of Section 152 of the Act and declaration that he is not disqualified from being appointed as Director in terms of Section 164 of the Act;
- Declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority;
- Declaration that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations;
- Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company; and
- Confirmation that he has registered himself with the Independent Directors' databank and satisfied the requirement regarding the online proficiency self-assessment test in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Considering the qualifications, positive attributes, experience, expertise and independence of Dr Rajiv Kumar, the Board and its Nomination and Remuneration Committee have recommended his appointment as an Independent Director, not liable to retire by rotation, for a term of three (3) consecutive years up to May 02, 2027 in terms of the provisions of the Act. Further, in terms of Section 149(13) of the Act, an Independent Directors so appointed shall not be liable to retire by rotation under Section 152 of the Act.

Dr Rajiv Kumar's brief profile is given below:

Dr Rajiv Kumar is the Chairman of Pahle India Foundation, a non-profit making research think tank. He is the former Vice Chairman of NITI Aayog. He is currently Member Global Leadership Council, GASP, New York. He is also a Director on Parley India Foundation. He also serves as the Chancellor of Gokhale Institute of Politics and Economics, Pune and Chairman of the Board of Governors of the Giri Institute of Development Studies, Lucknow.

He has wide experience of having worked in academia, government, industry as well as in multilateral institutions. He started his academic career in Indian Council for Research on International Economic Relations (ICRIER) as a Researcher during 1977-1982. He later became the Director & CEO of ICRIER between 2006 and 2011. He was a Professor at the Indian Institute of Foreign Trade (IIFT) and a Senior Fellow at the Centre for Policy Research (CPR), Delhi.

He also acted as Economic Advisor with Department of Economic Affairs (DEA), Ministry of Finance (1991-1995) and Senior Consultant at the Bureau of Industrial Costs and Prices(BICP), Ministry of Industry (1989-1991).

His experience in the multilateral financial institutions was with Asian Development Bank(ADB), Manila, where he spent 10 years before returning to India in 2004. He was also the Chief Economist of the Confederation of Indian Industries (CII) during 2004-2006 and Secretary General of Federation of Indian Chambers of Commerce and Industry (FICCI) during 2011-2013. He served on the Central Boards of State Bank of India for two terms and was also on the Central Board of Reserve Bank of India (RBI).

Dr Rajiv Kumar has a Ph.D in Ecnomics from Lucknow University and a D.Phil from Oxford University.

The NRC had evaluated the balance of skills, knowledge and experience on Board for the said position. Based on the said attributes, the NRC recommended candidature of Dr Rajiv Kumar.

The Board of Directors of the Company are confident that Dr Rajiv Kumar with his wide experience of having worked in academia, government, industry as well as in multilateral institutions, will add significant value to the Board.

In line with the Company's remuneration policy for Independent Directors, Dr Rajiv Kumar will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, re-imbursement of expenses for participation in the Board/Committee meetings.

Copy of the letter of appointment of Dr Rajiv Kumar, setting out the terms and conditions of appointment as an Independent Director is available for inspection by members electronically.

In the opinion of the Board, Dr Rajiv Kumar fulfils the conditions of Independence as specified in the Act and the SEBI Listing Regulations for his proposed appointment as an Independent Director and is independent of the Management.

The Company has received notice in writing under the provisions of Section 160 of the Act from a Member proposing the candidature of Dr Rajiv Kumar as an Independent Director of the Company.

Dr Rajiv Kumar may be deemed to be concerned or interested in the resolution under Item No. 5 of the accompanying Notice in respect of his aforesaid appointment.

Notice

None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said Resolution in the accompanying Notice.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) is provided under Annexure-I attached to this Notice.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience of Dr Rajiv Kumar, the Shareholders are requested to approve the appointment of Dr Rajiv Kumar as an Independent Director for a term of three (3) consecutive years with effect from May 03, 2024.

The Board recommends the Special Resolution as set out at Item No. 5 of the Notice for approval of the Members.

Item No. 6

Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, inter-alia provides that a listed company shall not appoint a person or continue the directorship of any person aged 75 years or more as a Non-Executive Director unless a special resolution is passed to that effect.

Mr Pradip Kumar Khaitan (DIN 00004821), aged 83 years, is a B.Com, LL.B. and Attorney-at-law (Bell Chambers Gold Medallist). He has professional Affiliations with Bar Council of India, Bar Council of West Bengal, Indian Council of Arbitration, New Delhi and Incorporated Law Society of Calcutta. Mr Khaitan is the Senior Partner of Khaitan & Co. and is widely regarded as amongst the most influential legal practitioners in India. With over 50 years of experience, Mr Khaitan has advised on a wide range of transactions.

Mr Khaitan's practice includes advising domestic business houses and International Corporations on all aspects of commercial and corporate laws, taxation, joint ventures, mergers & demergers, corporate governance and restructuring. He regularly advises on strategic decisions and sensitive commercial and legal issues.

The Board of Directors of the Company are confident that Mr Pradip Kumar Khaitan with his over 50 years of experience and being most influential legal practitioners in India, will add significant value to the Board.

The Board and its Nomination and Remuneration Committee have recommended continuation of Mr Pradip Kumar Khaitan as a Non-Executive, Non-Independent Director of the Company.

Mr Pradip Kumar Khaitan may be deemed to be concerned or interested in the resolution under Item No. 6 of the accompanying Notice in respect of his aforesaid appointment.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the said Resolution in the accompanying Notice.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of the Members.

By Order of the Board of Directors

Pooja Nambiar
Company Secretary
FCS No.: 10710

Firstsource Solutions Limited
CIN: L64202MH2001PLC134147

Registered Office:
5th Floor, Paradigm 'B' Wing,
Mindspace, Link Road,
Malad - (West), Mumbai - 400 064, India
Tel : +91-22-66660888
Fax: +91-22-66660887
https://www.firstsource.com/
Email: complianceofficer@firstsource.com

May 03, 2024

Annexure to the Notice

DETAILS OF THE DIRECTORS PROPOSED TO BE APPOINTED/ REAPPOINTED AS DIRECTOR AT THE ENSUING ANNUAL GENERAL MEETING

Mr Subrata Talukdar

Mr Subrata Talukdar (DIN 01794978), 66 years, is a commerce graduate and an alumnus of The Chartered Accountants of India and Kellogg School of Management, USA Mr Talukdar began his career at the Indian arm of Coopers Lybrand, before switching over to the manufacturing sector handling the finance portfolio.

Mr Talukdar was the President & CFO of Power Group of CESC Limited. He has been associated with the group for nearly four decades. Going beyond his core function of conventional finance, Mr Talukdar heads the Coal Mining, AFBC Power Plant and Power Trading business.

Mr Talukdar represents RPSG Ventures Limited, Promoter, on the Board of Directors of the Company. He is a Director on the Boards of various companies namely Dhariwal Infrastructure Limited, Crescent Power Limited, CESC Projects Limited, CESC Green Power Limited, Kolkata Games & Sports Private Limited, Rubberwood Sports Private Limited.

Brief Resume	As mentioned above
Age	66 years
DIN	01794978
Qualification	Chartered Accountant and an alumnus of the Kellogg School of Management, USA
Nature of expertise in specific functional areas	As mentioned in his profile
Justification of his appointment	Not Applicable
Inter-se relationships with directors and key managerial personnel	None
List of Directorships held in other companies including listed entities, if any	1. Dhariwal Infrastructure Limited 2. Crescent Power Limited 3. CESC Green Power Limited 4. CESC Project Limited 5. Kolkata Games and Sports Private Limited 6. Rubberwood Sports Private Limited
Chairmanship/ Membership of the Committees of Boards of other companies	**Crescent Power Limited:** Audit Committee, Member **Dhariwal Infrastructure Limited:** Corporate Social Responsibility Committee- Member
Shareholding in the Company including shareholding as a beneficial owner	Nil
Key terms and conditions of appointment	Not Appliable
Remuneration proposed to be paid	He will be paid sitting fee as per Nomination and Remuneration Policy of the Company read with the provisions of the Act.
Date of first appointment on Board	December 05, 2012
Details of remuneration last drawn	Sitting fees for attending Board Meetings and Committee Meetings where he is a member. The details of the sitting fees are given in the Corporate Governance Report
Number of Board meetings attended during FY 2023-24	3
Membership in Board Committees	1. Stakeholders Relationship Committee, Chairman 2. Audit Committee, Member 3. Nomination and Remuneration Committee, Member 4. Corporate Social Responsibility Committee, Member 4. Investment Committee, Member 5. Strategy Committee, Member
Listed Entities from which Mr Subrata Talukdar has resigned as Director in past 3 years	Surya Vidyut Limited

Annexure to the Notice

Dr Sanjiv Goenka

Brief Resume	As given in item no.4 of the explanatory statement.
Age	63 years
DIN	00074796
Qualification	Bachelor of Commerce (Hons.)
Nature of expertise in specific functional areas	As mentioned above at Item No. 4 in the Statement pursuant to the provisions of Section 102 of the Companies Act, 2013
Justification of his appointment	Refer Item No. 4 in the Statement pursuant to the provisions of Section 102 of the Companies Act, 2013
Inter-se relationships with directors and key managerial personnel	Mr Shashwat Goenka, Vice-Chairman is son of Dr Sanjiv Goenka, Chairman.
List of Directorships held in other companies including listed entities, if any	1. CESC Ltd. 2. Saregama India Limited 3. PCBL Limited 4. RPSG Ventures Limited 5. Spencer International Hotels Limited 6. Haldia Energy Limited 7. Spencer And Company Limited 8. ATK Mohun Bagan Private Limited
Chairmanship/ Membership of the Committees of Boards of other companies	**Saregama India Limited:** 1. Stakeholders Relationship Committee – Chairman **CESC Ltd:** 1. Audit Committee – Member 2. Stakeholders Relationship Committee – Chairman 3. Corporate Social Responsibility Committee – Chairman 4. Nomination and Remuneration Committee – Member **RPSG Ventures Limited:** 1. Audit Committee – Member 2. Nomination and Remuneration Committee - Member 3. Stakeholders Relationship Committee – Chairman
Shareholding in the Company including shareholding as a beneficial owner	Nil
Key terms and conditions of appointment	Continuation of appointment as the Non-Executive, Non-Independent Director pursuant to regulation 17(1D) of SEBI LODR Regulations 2015 [Refer Item No. 4 of the Notice and Explanatory Statement]
Remuneration proposed to be paid	He will be paid sitting fee as per Nomination and Remuneration Policy of the Company read with the provisions of the Act.
Date of first appointment on Board	December 03, 2012
Details of remuneration last drawn	Sitting fees for attending Board Meetings. The details of the sitting fees are given in the Corporate Governance Report.
Number of Board meetings attended during FY 2023-24	5
Membership in Board Committees	NIL
Listed Entities from which Dr Sanjiv Goenka has resigned as Director in past 3 years	Spencer's Retail Limited

Dr Rajiv Kumar

Brief Resume	As given in item no. 5 of the explanatory statement.
Age	73 years
DIN	02385076
Qualification	Ph.D., Economics and D.Phil.
Nature of expertise in specific functional areas	As mentioned above at Item No. 5 in the Statement pursuant to the provisions of Section 102 of the Companies Act, 2013
Justification of his appointment	Refer Item No. 5 in the Statement pursuant to the provisions of Section 102 of the Companies Act, 2013
Inter-se relationships with directors and key managerial personnel	None
List of Directorships held in other companies including listed entities, if any	1. Pearl Global Industries Limited 2. Parley India Foundation 3. World Development Private Limited 4. DSP Trustee Private Limited
Chairmanship/ Membership of the Committees of Boards of other companies	Member of Risk Management Committee of DSP Trustee Private Limited
Shareholding in the Company including shareholding as a beneficial owner	Nil

Brief Resume	As given in item no. 5 of the explanatory statement.
Key terms and conditions of appointment	Appointment as an Independent Director for a period of three (3) years commencing from May 03, 2024 to May 02, 2027 [Refer Item No. 5 of the Notice and Explanatory Statement]
Remuneration proposed to be paid	He will be paid sitting fee as per Nomination and Remuneration Policy of the Company read with the provisions of the Act.
Date of first appointment on Board	May 03, 2024
Details of remuneration last drawn	Remuneration last drawn is Nil.
Number of Board meetings attended during FY 2023-24	NIL
Membership in Board Committees	NIL
Listed Entities from which Dr Rajiv Kumar has resigned as Director in past 3 years	NIL

Mr Pradip Kumar Khaitan

Brief Resume	As given in item no. 6 of the explanatory statement.
Age	83 years
DIN	00004821
Qualification	B.Com, LL.B. and Attorney-at-law (Bell Chambers Gold Medalist)
Nature of expertise in specific functional areas	As mentioned above at Item No. 6 in the Statement pursuant to the provisions of Section 102 of the Companies Act, 2013
Justification of his appointment	Refer Item No. 6 in the Statement pursuant to the provisions of Section 102 of the Companies Act, 2013
Inter-se relationships with directors and key managerial personnel	None
List of Directorships held in other companies including listed entities, if any	1. CESC Ltd. 2. Electrosteel Castings Limited 3. India Glycols Limited 4. Woodlands Multispeciality Hospital Limited
Chairmanship/Membership of the Committees of Boards of other companies	**CESC Ltd:** 1. Nomination and Remuneration Committee, Member 2. Finance and Forex Committee, Member 3. Project Management Committee, Member 4. Risk Management Committee, Chairman 5. Strategic Committee, Chairman 6. Restructuring Committee, Member **Electrosteel Castings Limited** 1. Audit Committee, Member 2. Nomination and Remuneration Committee, Member 3. Corporate Social Responsibility Committee, Member **India Glycols Limited** 1. Audit Committee, Chairman 2. Stakeholders' Relationship Committee, Chairman 3. Nomination and Remuneration Committee, Chairman 4. Corporate Social Responsibility Committee, Member 5. Ethics Committee under Code of Conduct for Directors & Senior Management, Chairman 6. Risk Management Committee, Member 7. Committee of Directors, Member **Woodlands Multispecialty Hospital Limited** 1. Share Allotment Committee, Chairman
Shareholding in the Company including shareholding as a beneficial owner	Nil
Key terms and conditions of appointment	As per the details provided under the Resolution and Explanatory Statement
Remuneration proposed to be paid	He will be paid sitting fee as per Nomination and Remuneration Policy of the Company read with the provisions of the Act.
Date of first appointment on Board	November 14, 2014
Details of remuneration last drawn	Sitting fees for attending Board Meetings. The details of the sitting fees are given in the Corporate Governance Report.
Number of Board meetings attended during FY 2023-24	5
Membership in Board Committees	NIL
Listed Entities from which Mr Pradip Kumar Khaitan has resigned as Director in past 3 years*	1. Dalmia Bharat Limited 2. Graphite India Limited

*Retirement on completion of existing term in both the Companies

Directors' Report

Dear Members,

Directors of your Company take great pleasure in presenting the 23rd Annual Report on the business and operations of your Company and the Audited Financial Statements for the financial year ended March 31, 2024.

Financial results:

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. April 01, 2016. The performance of the Company for the FY 2023-24 is summarized herein below:

(₹ in million)

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Income	63,730.89	61,531.68	16,377.31	14,094.44
Profit Before Interest and Depreciation	9,932.84	9,573.55	4,892.71	4,148.34
Interest and Finance Charges	1,033.85	789.70	173.35	149.41
Depreciation/ Amortization	2,602.24	2,631.70	920.36	888.38
Profit Before Tax and exceptional items	**6,296.75**	**6,152.15**	**3,799.00**	**3,110.55**
Profit from ordinary activities before tax and after share in net profit of associate	6,296.75	6,152.15	3,799.00	3,110.55
Provision for Taxation (including Deferred Tax Charge/ Credit)	1,149.50	1,015.03	602.01	627.13
Net Profit After Tax	**5,147.25**	**5,137.12**	**3,196.99**	**2,483.42**
Owners of the Company	5,147.29	5,137.20	3,196.99	2,483.42
Non-controlling Interest	(0.04)	(0.08)	-	-
Total	**5,147.25**	**5,137.12**	**3,196.99**	**2,483.42**
Opening Balance in Profit & Loss Account	17,425.98	15,524.68	15,241.85	15,210.92
Closing Balance in Profit & Loss Account	20,009.92	17,425.98	15,875.49	15,241.85
Earning Per Share (₹) – Basic	7.52	7.55	4.67	3.65
Earning Per Share (₹) – Diluted	7.34	7.32	4.56	3.54

Result of operations:

The consolidated total income increased from ₹ 61,531.68 million to ₹ 63,730.89 million, an increase of 3.57% over the previous financial year. The consolidated Net Profit After Tax increased from ₹ 5,137.12 million to ₹ 5,147.25 million, an increase of 0.2% over the previous financial year. The detailed analysis of the consolidated results forming part of the Management Discussion and Analysis Report is provided separately in the Annual Report.

The standalone total income increased from ₹ 14,094.44 million to ₹ 16,377.31 million, an increase of 16.2% over the previous financial year. The standalone Profit After Tax increased from ₹ 2,483.42 million to ₹ 3,196.99 million, an increase of 28.73% over the previous financial year.

Global operation centers:

The Company, on a consolidated basis has 40 global operation centers as on March 31, 2024. The centers are located across the US, the UK, India, the Philippines and the Mexico. 12 of the Company's operation centers are located in India which includes Chennai (3), Mumbai (3), Bangalore (2), and 1 each in Trichy, Pondicherry, Hyderabad & Vijayawada, 16 in the US, 8 in the UK, 3 in the Philippines and 1 in Mexico.

During the year, the Company incurred capital expenditure of ₹851.04 million mainly towards refurbishment and maintenance of operation centers, technology upgrade and setting up of new operations centers.

Quality initiatives:

The Company follows global best practices for process excellence and the quality framework is based on COPC principles. The Company uses innovative techniques like Speech & Text Analytics, Robotic Process Automation and Intelligent Action Board to drive improvements across. Also, as part of the Quality Management System, the Company has embraced ISO 9001:2008. The Company continues to follow process improvement methodologies like Six Sigma, Lean and Kaizen.

Awards and accolades:

The Company received the following awards and accolades during the year under review.

Awards:

- Healthcare Payer Operations PEAK Matrix® Assessment 2023 - Leaders & Star performers.
- Revenue Cycle Management (RCM) Operations PEAK Matrix® Assessment 2023 - Major Contenders.
- Everest's: Banking Operations-Services PEAK Assessment 2023 - Major Contenders and Star Performers.
- Brandon Hall 2023 HCM Awards: Gold for Excellence in Leadership Development.
- Brandon Hall 2023 HCM Awards: Bronze for Best Advancement in crafting an exceptional Learning and Development strategy.
- ISG Provider Lens™ (IPL) Quadrant study for 'Customer Experience Services 2023': 'Leader' status within the Contact Center – Customer Experience Services Europe & U.K. 2023 category.
- HYSEA ESG Conclave: Outstanding contributions to CSR, Environmental, Social and Governance Practices.
- GWFM: Most Creative International WFM Award.
- GWFM: Best Practice & Best System – Outstanding Performance award 2023 Award – FirstFlex.
- Everest Group Healthcare Payer Operations PEAK Matrix® Assessment 2023: 'Leader' and a 'Star Performer'.
- India CSR Awards: Women Empowerment and Gender Equality Award for Digital Transformation for Rural Women Artisans project.
- North East Contact Centre Awards: Outsource Contact Centre of the Year and Best Sales Team.
- Customer Experience Awards, UK: Bronze for Best Learning and Development – Large Company.
- Welsh Contact Centre Forum: Silver for Outsourcer of the Year.
- Dow Jones Sustainability Index: Debuted ranking in top 96th percentile and score of 62.
- Global CDP (Carbon Disclosure Project) submission: 'C' Rating.
- S&P Sustainability Yearbook 2024: Included as 'Member'.
- World HRD Congress: 'Dream Employer of the Year', 'Dream Companies to Work For'.
- iVolunteer Awards 2023: 'Leader in Employee Volunteering'.
- NelsonHall NEAT vendor assessment for CX Services Transformation 2024: 'Leader' and an 'Innovator'.

Consolidated financial statements:

In accordance with Section 129(3) of the Companies Act, 2013 and in view of notification issued by the Ministry of Corporate Affairs on Ind-AS, the Company has prepared consolidated financial statements of the Company and all its subsidiaries as per Ind-AS, which forms part of this Annual Report.

Dividend:

The Board approved and declared an interim dividend on February 07, 2024 at the rate of 35% i.e. ₹3.5 per share of ₹10/- each.

The interim dividend for FY 2023-24 aggregated to ₹2,223.04 million (net of applicable TDS).

The Dividend Distribution Policy of the Company was approved by the Board at its meeting held on August 8, 2017 and is available on the Company's website at https://www.firstsource.com/wp-content/uploads/2024/02/Dividend-Distribution-Policy-IN.pdf

Transfer to reserve:

The Board of Directors of the Company (hereinafter referred to as the "Board") has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the remaining amount of profit for the financial year under review has been carried forward to the Statement of Profit & Loss.

Human resources:

On a consolidated basis, the Company has 27,940 employees as of March 31, 2024.

Particulars of the employees and related disclosures:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 ("Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed as Annexure I.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this Report. Further, the Report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Public deposits:

During the year under review, your Company has not accepted any deposits under Section 73 of the Act, and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2024.

Particulars of loans, investments, guarantees and securities:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the standalone financial statements. (Please refer to Note No. 6 and 31 to the standalone financial statements).

Credit Ratings:

During the year under review, the rating given by CARE and CRISIL are mentioned herein below:

(i) CARE Rating:

Long/Short term Bank Facilities	CARE A+; Stable/CARE A1+ (Single A plus; Outlook:Stable/A One plus)
Commercial Paper	CARE A1+ (A One plus)

(ii) CRISIL Rating:

Long/Short term Bank Facilities	CRISIL A+/Stable
Commercial Paper	CRISIL A1

Corporate social responsibility initiatives:

The Company seeks to be a good corporate citizen in all aspects of its operations and activities. The Company commits to operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders. Our CSR Policy is governed and guided by our Group's corporate vision to enable inclusive growth and our aspiration to be India's leading business group serving multiple market segments, for our customers, shareholders, employees and community. The Company seeks to undertake programs in the areas of Healthcare, Education, Environment, Arts & Culture, Promotion of Sports as well as support initiatives towards Gender Equality and Empowerment of Women.

The Board constituted a Corporate Social Responsibility (CSR) Committee, pursuant to Section 135 of the Act, presently consisting of Mr Shashwat Goenka (Chairman), Mr Vipul Khanna (ceased to be MD & CEO and Director w.e.f. from the closing business hours of August 31, 2023), Mr Ritesh Idnani (inducted as a Member w.e.f. September 01, 2023), Mr Subrata Talukdar, Mr Anjani K. Agrawal (his term as a Director will expire from the closing hours of May 10, 2024 by efflux of time) and Dr Rajiv Kumar (inducted as a Member w.e.f. May 11, 2024) as its members. The CSR Committee meets at least once in a year. During the year under review, the Committee met once. The details of CSR Committee and its meetings are given in Report on Corporate Governance forming part of the Annual Report. The CSR Committee has framed and formulated a CSR Policy indicating the activities to be undertaken by the Company, in accordance with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under the Act. The same has also been approved by the Board. The CSR policy is available on the website of the Company at the link:

https://www.firstsource.com/wp-content/uploads/2024/02/Firstsource-CSR-Policy-24-25.pdf

The Annual Report on CSR Activities, as stipulated under the Act and the SEBI (LODR) Regulations, 2015 forms an integral part of this Report and is appended as Annexure II. The details of focus areas of engagement as mentioned in the CSR Policy of the Company are mentioned in the said Annual Report on CSR Activities.

The CSR activities, as per the provisions of the Act, may also be undertaken by the Company through a registered trust. Accordingly, "RP - Sanjiv Goenka Group CSR Trust" ("Group CSR Trust") was formed along with other Group Companies to pursue CSR activities as mentioned in the CSR Policy of the Company.

The Company has been contributing a portion of amount of its CSR obligation every year for the project to set up an International Baccalaureate School in Kolkata taken up by the Group CSR Trust which is identified as an 'Ongoing Project -1,' as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This Ongoing Project – 1 achieved its completion during FY 2023-24.

During the year, the Company has spent an amount of ₹ 75.30 million towards CSR. Group CSR Trust had now undertaken launching from Grade 6 to Grade 12 of the said school as ongoing project from FY 2023-24 ("Ongoing Project – 2"). The Company had transferred ₹ 64.30 million to Unspent CSR Account for FY 2023-24.

The CSR at the Company is a platform for giving back to the communities in which we live and work. The Company looks to engage employees in focus areas where possible through programs such as employee volunteering, payroll giving, participating in fundraising events, partnering with NGO's and response to disasters.

The Company is committed to advancing its CSR objectives through its overarching vision to "create a nurturing and an empowering environment to deepen our societal engagement with a goal of improving lives and livelihood of communities on a sustainable basis.

The Company's goal is to be a purpose driven and socially responsible company aligning with the Group's vision of empowering lives by providing access to education, environment, healthcare, promoting sports, arts and culture, supporting gender equality and women empowerment to improve the overall quality of life.

Key Highlights:

- ₹ 75.30 million spent on CSR obligations.
- 15,507 hours of CSR volunteering
- 48,370 lives impacted through various CSR

CSR Agenda & focus:

As a purpose-led organization, the Company is infusing sustainability into the core of its transformation and creating a tangible impact in the lives of its people, clients, shareholders, and the community alike. Overall we have had 17,245 participants enabling 690 unique events by contributing 15,507 hours to impact 48,370 lives and created 12,285 planet impact. Through CSR partners we also support impact sourcing project in India. This year we have partnered with 16 organizations helping 1200 underrepresented and unemployed youth including Persons with disability to get career guidance as well as opportunity to get screened for various job positions in Firstsource.

Community Projects:

Firstsource CSR team spent 100% of the allocated 11 Million (₹) in 14 different projects across various places in India. From the overall funds, 44% of the funds was utilized for 'Empowerment and Gender equality' projects. Education projects allocation was 28% followed by healthcare and environment where allocation was 20% and 8% respectively. Through these projects, 11,712 lives were impacted and 7,000 trees were maintained. This was done through various Non Profit partners. This effort excludes the CSR projects done through RPSG Group Trust.

Employee Volunteering & Giving:

5,467 Employees were part of Community Outreach program last year giving 15,507 Hours and contributing ₹30 Lakhs.

Leadership participation: Through "Every Leader a Volunteer" campaign, our community outreach programs saw an increase in leadership participation across globe. This year around 144 D+ leaders contributed to Community Outreach programs through their participation contributing 737 Hours and this comprises 25% of overall leadership headcount. Firstsource Leaders empowered young minds through mentorship sessions, virtual classroom teaching, career guidance, women empowerment sessions, livelihood support projects, along with sharing their deep expertise by providing pro-bono support in the areas of Tech & Consulting. They have also been a major support for the launch and milestones of Firstsource CSR Projects.

Purpose led employee volunteering projects: The Company employees across the globe continued to share their time and knowledge through various events anchored by CSR/HR team across all countries. Overall, we had 3,991 unique volunteers across globe who contributed 15,507 hours of volunteering and impacting 48,370 lives.

High impact structured volunteering programs like eVidyaloka virtual classroom teaching, FFE and FEA Mentorship continued to see traction among the employees where our employee volunteers are committed to providing long-term support spanning 3-6 months, teaching or mentoring students.

In the UK, US and Philippines, volunteers participated in virtual expert sessions on environment awareness, pride month celebrations, food packing & distribution and various other activities to support our communities.

In India, volunteers participated in various environmental activities such as clean-ups, plantation, farming, microgreen growing, and eco-friendly bag making, and supported medical camps, conducted insightful sessions in children home & Govt. schools, supported marathon, pro bono work for NGOs, and livelihood support for community wellbeing.

Purpose-led employee giving projects:

The Company employees across the globe continued to show their love and affection for communities by contributing regularly to charity through various fundr aising and employee giving programs. Overall we had 1,639 unique donors who have contributed an amount of ₹30,30,731.

In the UK, employees donated to regular employee giving programs and participated in various fundraising events.

In the Philippines, Manila and Cebu volunteers enabled Christmas basket initiative by giving packed foods to the needy from the employee contribution funds.

In the US, employees supported causes such as Candy Drive for patients in children hospital and Angel Tree initiative along with Salvation Army.

In India, employee giving program positively impacted over 3,448 students through initiatives such as Gift a Smile, Book a Smile, Exam kit distribution, STEM lab and Pad to pad.

Across globe, through various in-kind donation employees donated stationeries, toys, clothes and books for the needy.

Risk management:

The Company has implemented a comprehensive and fully integrated 'Enterprise Risk Management' framework in order to anticipate, identify, measure, manage, mitigate, monitor and report the principal risks and uncertainties that can impact its ability to achieve its strategic business objectives.

The Enterprise Risk Management drives a common integrated view of risks and optimal risk mitigation responses. This integration is enabled by alignment of Risk Management and Internal Audit methodologies and processes in order to maximize enterprise value of the Company and ensure high value creation for our stakeholders over a time.

The details of the 'Enterprise Risk Management' framework with details of the principal risks and the plans to mitigate the same are given in the 'Risk Management Report' section of the 'Management Discussion and Analysis Report' which forms part of this Annual Report.

Further in view of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective April 01, 2019, the Board constituted a Risk Management Committee on February 04, 2019 to monitor & mitigate the Risk.

Internal financial controls:

The Company has in place adequate internal financial controls with reference to financial statements. Such internal financial controls over financial reporting are operating effectively and the Statutory Auditor has also expressed their opinion on the same in the Annexures to the Auditors Report.

Whistle blower policy:

The Company has a Whistle Blower Policy (the "WB Policy") with a view to provide vigil mechanism to Directors, Employees and other Stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The WB Policy also states that this mechanism provides for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. The WB Policy has been posted on the website of the Company and the details of the same are provided in the 'Report on Corporate Governance' forming part of this Annual Report.

The WB Policy is available on the website of the Company at https://www.firstsource.com/wp-content/uploads/2024/02/WHISTLE-BLOWER-POLICY-6.2.pdf

Prevention of sexual harrassment policy:

The Company has a 'Prevention of Sexual Harassment Policy' in force in compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this Policy is to ensure a safe, secure and congenial work environment where employees deliver their best without any inhibition, threat or fear. The Company has Zero Tolerance to any form of harassment especially if it is sexual in nature. The complaints filed under the Policy are reported to the Audit Committee at its quarterly meetings with details of action taken thereon.

It is confirmed that during the year under review, the Company has complied with applicable provisions in relation to sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including the provisions relating to the constitution of Internal Complaints Committee under the said act.

Board of directors:

The following are the changes in the Board of Directors during the year under review and other proposed changes, subject to the approval of the Members:

- Mr Subrata Talukdar (DIN 01794978) retires by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting ("AGM").
- Appointment of Mr Ritesh Idnani (DIN 06403188) as a Director and MD & CEO of the Company w.e.f. September 01, 2023 for a period of five (5) consecutive years, not liable to retire by rotation. His appointment was approved by members through Postal Ballot on October 27, 2023.
- Mr Vipul Khanna (DIN 00889710) ceased to be the MD & CEO, on account of his resignation as a Director and MD & CEO of the Company from the closing of business hours on August 31, 2023. The Board places on record its appreciation for the valuable contribution made by him during his tenure as a MD & CEO of the Company.
- Re-appointment of Mr Sunil Mitra (DIN 00113473) as an Independent Director on the Board of the Company for a term of three (3) consecutive years w.e.f. April 01, 2024. His appointment was approved by members through Postal Ballot on October 27, 2023.
- The Board appointed Mr T. C. Suseel Kumar (DIN 06453310) as an Additional Director (Non-Executive, Independent) on the Board of the Company for a term of five (5) consecutive years w.e.f. September 01, 2023. His appointment was approved by members through Postal Ballot on October 27, 2023. The Company has received the declaration from Mr T. C. Suseel Kumar confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act.
- The Board appointed Ms Rekha Sethi (DIN 06809515) as an Additional Director (Non-Executive, Independent) on the Board of the Company for a term of five (5) consecutive years w.e.f. September 01, 2023. Her appointment was approved by members through Postal Ballot on October 27, 2023. The Company has received the declaration from Ms Rekha Sethi confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Act.
- Mr Pratip Chaudhuri ceased to be an Independent Director with effect from the closing of business hours on March 31, 2024 by afflux of time. The Board places on record its appreciation for the valuable contribution made by him during his tenure as a Director of the Company.
- Continuation of appointment of Dr Sanjiv Goenka (DIN: 00074796) as Non-Executive, Non-Independent Director of the Company, not liable to retire by rotation, pursuant to Regulation 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the approval of the members at the ensuing AGM of the Company.
- The Board appointed Dr Rajiv Kumar (DIN 02385076) as an Additional Director (Non-Executive, Independent) on the Board of the Company w.e.f. May 03, 2024. He holds office up to this Annual General Meeting (AGM). The Board recommends the appointment of Mr Rajiv Kumar as an Independent Director for a term of three (3) consecutive years, effective from May 03, 2024 for approval of members of the Company at this AGM. The Company has received the declaration from Mr Rajiv Kumar confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act.
- Mr Anjani K. Agrawal will cease to be an Independent Director with effect from the closing of business hours on May 10, 2024 by afflux of time. The Board places on record its appreciation for the valuable contribution made by him during his tenure as a Director of the Company.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

Board and Audit Committee Meetings:

During the FY 2023-24, the following five (5) Board Meetings were held on:

1. May 04, 2023
2. August 02, 2023
3. September 01, 2023
4. November 08, 2023
5. February 07, 2024

During the FY 2023-24, the following four (4) Audit Committee Meetings were held on:

1. May 04, 2023
2. August 01, 2023
3. November 08, 2023
4. February 07, 2024

Time gap between any two meetings was not more than one hundred twenty (120) days.

The full details of the said meetings are given in the 'Report on Corporate Governance' forming part of this Annual Report.

The Familiarization Programs for Independent Directors:

The Company has put in place a system to familiarise its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization programs are put up on the website of the Company at the link: https://www.firstsource.com/wp-content/uploads/2024/02/Policy-on-Familiarization-of-Independent-Directors-IN.pdf

Board evaluation:

(i) Performance Evaluation of the Independent Directors and Other Individual Directors:

The Company has framed a policy for Appointment of Directors and Senior Management and Evaluation of Directors' Performance ("Board Evaluation Policy"). The said policy sets out criteria for performance evaluation of Independent Directors, other Non-Executive Directors and the Executive Director.

Pursuant to the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board carries out the performance evaluation of all the Directors (including Independent Directors) on the basis of recommendation of the Nomination and Remuneration Committee and the criteria mentioned in the Board Evaluation Policy. The Board decided that the performance evaluation of Directors should be done by the entire Board of Directors excluding the Director being evaluated and unanimously agreed on the following assessment criteria for evaluation of Directors' performance:

- Attendance and active participation in the Meetings;
- Bringing one's own experience to bear on the items for discussion;
- Governance covering Awareness and Observance; and
- Value addition to the business aspects of the Company.

(ii) Performance Evaluation of Executive Director:

The performance of the MD & CEO is evaluated on the basis of achievement of performance targets/criteria given to him by the Board from time to time.

(iii) Performance Evaluation by the Board of its own performance and its Committees:

The performance of the Board is evaluated by the Board in the overall context of understanding by the Board of the Company's principle and values, philosophy and mission statement, strategic and business plans and demonstrating this through its action on important matters, the effectiveness of the Board and the respective Committees in providing guidance to the Management of the Company and keeping them informed, open communication, the constructive participation of members and prompt decision making, level of attendance in the Board meetings, constructive participation in the discussion on the Agenda items, monitoring cash flow, profitability, income & expenses, productivity & other financial indicators, so as to ensure that the Company achieves its planned results, effective discharge of the functions and roles of the Board, etc.

The performance of the Committees is evaluated by the members of the respective Committees on the basis of the Committee effectively performing the responsibility as outlined in its Charter, Committee meetings held at appropriate frequency, length of the meetings being appropriate, open communication & constructive participation of members and prompt decision-making, etc.

Policy on directors' appointment and remuneration:

The criteria for Directors' appointment and for determining qualification, positive attributes and independence of a Director as mentioned in the 'Policy for Appointment of Directors and Senior Management and Evaluation of Directors' Performance' in terms of Section 178(3) of the Act is mentioned below:

Appointment criteria and qualifications:

- The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, Key Managerial Personnel ("KMP") or at Senior Management level and recommend the same to the Board for appointment, if found suitable;
- A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position; and
- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-Time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the statement annexed to the notice provisions of Section 102 of the Act annexed to the notice or such motion indicating the justification for extension of appointment beyond seventy years.

Meeting of Independent Directors:

There should be atleast one meeting of Independent Directors in a year, without the attendance of non-independent Directors and members of the Management. One (1) meeting of the Independent Directors of the Company was held on February 06, 2024.

Agendas of the Independent Directors' Meeting are:

- To review the performance of non-independent Directors including MD & CEO and the Board as a whole;
- To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- To assess the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Remuneration policy:

The Board, on the recommendation of the Nomination and Remuneration Committee framed a Remuneration Policy for Non-Executive Directors (including Independent Directors) and a Remuneration Policy for Key Managerial Personnel and other Employees of the Company. The details of Remuneration Policy for Non-Executive Directors and Independent Directors are provided as Annexure IIIA and details of Remuneration Policy for Key Managerial Personnel and Other employees of the Company are provided as Annexure IIIB to this Report.

Committees of the Board:

A detailed note on the Board and its Committees is provided in the 'Report on Corporate Governance' forming part of this Annual Report. The composition of the major Committee/(s) is as follows:

Audit Committee:

As on March 31, 2024, the Audit Committee comprised of three (3) Independent Directors viz. Mr Utsav Parekh (Chairman), Mr Anjani Agrawal (will cease to be a Member from the closing of business hours on May 10, 2024 by efflux of time), Mr T. C. Suseel Kumar (inducted as a Member w.e.f. May 11, 2024), Mr Sunil Mitra and one (1) Non-Independent Director, Mr Subrata Talukdar.

Nomination and Remuneration Committee:

As on March 31, 2024, the Nomination and Remuneration Committee comprised of two (2) Independent Directors viz. Mr T. C. Suseel Kumar (inducted as a member w.e.f. April 01, 2024 and Chairman w.e.f. May 11, 2024), Mr Utsav Parekh (inducted as a Member w.e.f. April 01, 2024), Mr Anjani Agrawal (Chairman) {will cease to be a Chairman and Member from the closing of business hours on May 10, 2024 by efflux of time} and Mr Pratip Chaudhuri (ceased to be a Member from the closing of business hours on March 31, 2024 by efflux of time), and one (1) Non-Independent Director, Mr Subrata Talukdar.

Corporate Social Responsibility Committee:

As on March 31, 2024, Corporate Social Responsibility Committee comprised of four (4) members viz Mr Shashwat Goenka (Chairman), Mr Vipul Khanna, MD & CEO (ceased to a Member from the closing of business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani, MD & CEO, (inducted as a Member w.e.f. September 01, 2023), Mr Anjani Agrawal (will cease to be a Member from the closing of business hours on May 10, 2024 by efflux of time), Dr Rajiv Kumar (inducted as a Member w.e.f. May 11, 2024), and one (1) Non-Independent Director, Mr Subrata Talukdar.

Stakeholders Relationship Committee:

As on March 31, 2024, Stakeholders Relationship Committee comprised of three (3) members viz. Mr Subrata Talukdar (Chairman), Mr Vipul Khanna, MD & CEO (ceased to a Member from the closing of business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani, MD & CEO, (inducted as a Member w.e.f. September 01, 2023) and one (1) Independent Director, Mr Anjani Agrawal (will cease to be a Member from the closing of business hours on May 10, 2024 by efflux of time), Ms Rekha Sethi (inducted as a Member w.e.f. May 11, 2024).

Investment Committee:

As on March 31, 2024, Investment Committee comprised of three (3) members viz. Mr Shashwat Goenka (Chairman), Mr Vipul Khanna, MD & CEO (ceased to a Member from the closing of business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani, MD & CEO, (inducted as a Member w.e.f. September 01, 2023) and one (1) Non-Independent Director, Mr Subrata Talukdar.

Strategy Committee:

As on March 31, 2024, Strategy Committee comprised of three (3) members viz. Mr Shashwat Goenka (Chairman), Mr Vipul Khanna, MD & CEO (ceased to a Member from the closing of business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani, MD & CEO, (inducted as a Member w.e.f. September 01, 2023) and one (1) Non-Independent Director, Mr Subrata Talukdar.

Risk Management Committee:

As on March 31, 2024, Risk Management Committee comprised of four (4) members viz. Mr Shashwat Goenka (Chairman), Mr Vipul Khanna, MD & CEO (ceased to a Member on the closing of business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani, MD & CEO, (appointed as a Member w.e.f. September 01, 2023) one (1) Independent Director, Ms Vanita Uppal, Mr Dinesh Jain and Mr Arun Tyagi, Officials of the Company (Mr Arun Tyagi ceased to be member from the closing of business hours on January 18, 2024 on account of his resignation).

Related party transactions:

All the contracts/arrangements/transactions that were entered into by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business and none of such related party transactions required the approval of the Board of Directors or the Shareholders as per the Act or LODR Regulations. Further, there were no materially significant related party transactions that may have potential conflict of interests of the Company at large. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All Related Party Transactions are placed before the Audit Committee for approval.

The policy on Related Party Transactions as approved by the Board is available on the website of the Company at the link: https://www.firstsource.com/wp-content/uploads/2024/02/Related-Party-Transaction-Policy-IN.pdf

The details of the related party transactions as required under the Act and the Rules are attached in Form AOC-2 as Annexure IV.

Employees stock option scheme:

The Company grants share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with the Company objectives, and promoting increased participation by them. With a view to provide an opportunity to the employees of the Company, to share the growth of the Company and to create long term wealth, the Company has an Employee Stock Option Scheme (ESOS), viz., the Firstsource Solutions Employee Stock Option Scheme, 2003 (ESOS 2003). The Scheme is applicable to all eligible employees and Directors of the Company and its Subsidiary Companies. The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB&SE), as amended from time to time.

Firstsource solutions limited employee stock option plan 2019 ("esop 2019 plan"):

The Company has established the ESOP 2019 Plan, pursuant to approval of shareholders at the Annual General Meeting on August 02, 2019, to allow our employees to acquire greater proprietary stake in our success and growth, and to encourage our employees to continue their association with us. The ESOP 2019 Plan is in compliance with SEBI (SBEB&SE) Regulations 2021, as amended from time to time.

As per the ESOP 2019 Plan, the Nomination and Remuneration Committee will issue stock options to the identified eligible employees/Director(s) of the Company and its Subsidiaries at an exercise price which will be the face value of the Shares or any higher price which may be decided by the Nomination and Remuneration Committee considering the prevailing market conditions and the norms as prescribed by SEBI and other relevant regulatory authorities. Further, the stock options under the said plan would vest & be exercisable in tranches as determined by the Nomination and Remuneration Committee basis the power given to the Nomination and Remuneration Committee in line with the ESOP 2019 Plan.

Long term incentive structure grants under ESOP 2019 plan:

In continuation of the Company's philosophy of aligning employee interests with shareholder value creation and in line with global practices, the Nomination and Remuneration Committee of the Board of Directors has approved the Long Term Incentive Structure ("LTI") in the form of ESOP grants which will be granted to identified eligible employees as per ESOP 2019 Plan. This unique plan is a combination of tenure and performance based ESOPs aligned to shareholder value creation which will deepen employee ownership in the Company.

A) Tenure based Structure (ESOP Structure):

Options in this structure will be granted to identified eligible employees, basis the below criteria:

Directors' Report

1. Drives ownership of employees in Company's fortunes for better engagement and retention;
2. Seen as part of the total compensation package, in line with competition/ market practice;
3. Quantum of grants is based on the performance and potential of the individual employee.

Vesting Schedule in the given structure is:

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	25%
At the end of every quarter after year 1, till end of year 4 from date of grant	6.25%

B) Performance based Structure (PSU Structure):

1. Attainment of options can range between 0% and 150% of tranche eligible for vesting for the respective performance measurement period. Each tranche is separate. Performance and vesting in one performance period has no bearing on performance and vesting in another performance period;
2. Subject to terms and conditions of the scheme, the performance-based component of the grant is measured basis the Performance targets as agreed annually by the Management.

Vesting Schedule in the given structure is: (The vesting schedule is effective from May 3, 2024.)

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	15%
End of 24 months from the date of grant of options	20%
End of 36 months from the date of grant of options	25%
End of 48 months from the date of grant of options	40%

Under both the above structures, grants will be issued at face value of the shares or any higher price which may be decided by the Nomination and Remuneration Committee and will have an exercise period up to three (3) years as per the ESOP 2019 Plan and as determined by the Nomination and Remuneration Committee.

Under the ESOP 2019 Plan, as on March 31, 2024, the Nomination and Remuneration Committee has approved grant of 1,209,000 options which are a mix of tenure based and performance-based structure options to its senior leadership team and employees.

Firstsource Employee Benefit Trust under ESOP 2019 plan:

The ESOP 2019 Plan shall be implemented through the Trust which will be administered under the guidance, advice and direction of the Nomination and Remuneration Committee in accordance with the provisions of the Companies Act, 2013 and SEBI (SBEB&SE) Regulations, 2021.

The Board of Directors has facilitated setting up of Employee welfare trust, viz "Firstsource Employee Benefit Trust" ("ESOP Trust") to implement the ESOP 2019 Plan which has been formed by the Company. The Company shall provide financial assistance to the ESOP Trust for secondary acquisition of equity shares of the Company for the purpose of implementation of ESOP 2019 Plan. The terms and conditions for the financial assistance provided shall be in compliance with the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 and SEBI (SBEB&SE) Regulations 2021.

As on March 31, 2024, the ESOP Trust holds 9,376,900 equity shares purchased through secondary market.

Subsidiary companies:

As on March 31, 2024, your Company has 23 subsidiaries and 1 Associate Company:

Domestic Subsidiary: (1)

1. Firstsource Process Management Services Limited [Wholly Owned Subsidiary ("WOS") of the Company]

International Subsidiaries: (22)

2. Firstsource Solutions UK Limited, UK (WOS of the Company)
3. Firstsource Solutions S.A., Argentina (Subsidiary of Firstsource Solutions UK Limited)
4. Firstsource BPO Ireland Limited (WOS of Firstsource Solutions UK Limited)
5. Firstsource Group USA, Inc., USA (Subsidiary of the Company)
6. Firstsource Business Process Services, LLC, USA (WOS of Firstsource Group USA, Inc)
7. Firstsource Advantage, LLC, USA (WOS of Firstsource Business Process Services, LLC)
8. One Advantage, LLC, USA (WOS of Firstsource Business Process Services, LLC)
9. MedAssist Holding, LLC, USA (WOS of Firstsource Group USA, Inc)
10. Firstsource Solutions USA, LLC, USA (WOS of MedAssist Holding, LLC)
11. Firstsource Health Plans and Healthcare Services, LLC, USA (WOS of Firstsource Solutions USA, LLC)
12. Sourcepoint, Inc. (WOS of Firstsource Group USA, Inc.)
13. Sourcepoint Fulfillment Services, Inc. (WOS of Sourcepoint, Inc.)
14. Firstsource Dialog Solutions (Private) Limited (Subsidiary of the Company)
15. PatientMatters LLC (WOS of Firstsource Solutions USA, LLC)
16. Kramer Technologies, LLC (WOS of PatientMatters LLC)
17. Medical Advocacy Services For Healthcare, Inc. (WOS of PatientMatters LLC)
18. The StoneHill Group, Inc (WOS of Sourcepoint, Inc.)
19. American Recovery Services, Inc. (WOS of Firstsource Business Process Services, LLC, USA)
20. Firstsource Solutions Mexico, S. de R.L. de C.V (Subsidiary Company of Firstsource Group USA, Inc.)
21. Firstource Solutions Jamaica Limited (WOS of Firstsource Group USA, Inc.)
22. Firstsource BPO South Africa (Pty) Ltd. (WOS of Firstsource Solutions UK Limited)
23. Firstsource Solutions Australia Pty Limited (WOS of Firstsource Solutions Limited)

Associate Company: (1)

1. Nanobi Data and Analytics Private Limited

Note:

(a) Firstsource BPO South Africa (Pty) Ltd. was incorporated as a Wholly Owned Subsidiary Company of Firstsource Solutions UK Limited, (WOS of the Company), on September 27, 2023. On account of this, Firstsource BPO South Africa (Pty) Ltd. became a step down subsidiary of the Company.

(b) Firstsource Solutions Australia Pty Limited was incorporated as a Wholly Owned Subsidiary Company of Firstsource Solutions Limited, on February 13, 2024. On account of this, Firstsource Solutions Australia Pty Limited became a Wholly Owned Subsidiary of the Company.

The Company has no other joint venture Company. No company has ceased to be a joint venture or associate during the FY 2023-24.

Report on the Performance and Financial Position of Subsidiaries:

A report on the performance and financial position of each of the subsidiaries as per the Act, in the prescribed format AOC - 1 is annexed to the consolidated financial statement and hence not repeated here for the sake of brevity. The Company has a policy on material subsidiaries pursuant to Regulation 16(1)(c) of the Listing Regulations. The same is available on the website of the Company viz: https://www.firstsource.com/wp-content/uploads/2024/02/Material-Subsidiary-Policy-IN.pdf

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year as stipulated under Regulation 34(3) of the Listing Regulations is separately given and forms part of this Annual Report.

Business Responsibility and Sustainability Report:

With effect from the FY 2022-23, the requirement of submitting Business Responsibility Report is discontinued and replaced with Business Responsibility and Sustainability Report (BRSR) for the top one thousand listed entities based on market capitalization. Since your company is falling under this category, the Company has adopted the BRSR as stipulated under Regulation 34(2(f) of the Listing Regulations and forms part of this Annual Report.

Report on Corporate Governance:

The adherence to the corporate governance practices by the Company not only justifies the legal obedience of the laws but dwells deeper conforming to the ethical leadership and stability. It is the sense of good governance that our leaders portray, which trickles down to the wider Management and is further maintained across the entire functioning of the Company.

The Company is committed to maintain the highest standards of corporate governance and adheres to the corporate governance requirements set out by SEBI.

The report on Corporate Governance as stipulated under provisions of Chapter IV & Schedule V of the Listing Regulations is separately given and forms part of this Annual Report. The requisite certificate from a Practicing Company Secretary confirming compliance of the conditions of corporate governance is attached to the Report on Corporate Governance.

Pursuant to amendment of Rule 12 of Companies (Management and Administration) Rules, 2014 by MCA, wherein, instead of attaching an extract of annual return (to be prepared in Form MGT - 9) to the Directors' Report, the Company can host a copy of annual return on the website of the Company and a web link of the same to be given in the Directors' Report.

Accordingly, a copy of Annual Return is available on the website of the Company at the below link: https://www.firstsource.com/wp-content/uploads/2024/06/Annual-Return-FY-2023-24-1.pdf

Statutory discloures of particulars:

A) Conservation of Energy:

The Company continues to make progress towards energy conservation across all its operation centres by adopting efficient Air-conditioning management system, usage of Energy efficient LED and efficient power back-up system. The Company is continuously monitoring earlier initiatives of reducing energy consumption within data centre/(s) and across its' operation centres. The Company, similar to its previous year's initiatives of Green IT, continued to replace the normal Desktops and old Thin clients with Mini Desktops/ Zero thin-clients in US Geography as the power consumption of mini desktop & Zero thin-clients was 2.5 times less than the power consumed by normal desktops and nearly 5 times less during standby mode. Scripts have been deployed where possible to shut down the Desktops/ Thin clients which are not being used for more than 1 hour which helps conserve energy.

B) Absorption of Technology:

- **SmartRow Solution:** As a part of the ESG and Green IT Initiative, the Company have implemented a SmartRow solution in April 2024, a best in class solution that enables better resource management and energy efficiency, contributes to a reduced environmental/CO2 footprint and aligns with the Company's sustainability goals. The solution optimizes energy usage by adjusting cooling based on actual server load leading to energy savings and reduced real estate requirements. The Mumbai Data Centre which spanned over 3100 sq. ft. is now reduced to 380 sq. ft.
- **Cloud-First Initiatives:** As part of Company's Cloud-First and Digital-First-Digital-Now (DFDN) journey, the Company continues to migrate a significant part of its Operations and Deliveries, across the geographies and business units, to cloud. Over the past few years, the Company has adopted multiple state-of-the-art technologies by partnering with Global Cloud Services Platforms. Be it for Infrastructure as a Service (laaS) where the Company partner with leading global CSPs such as Microsoft Azure, AWS and Google or adopting SaaS solutions such as SalesForce, SAP SuccessFactors or Office365 or companies like Zscaler which provide cloud based Zero Trust Security solutions. Most of Company's client facing applications are deployed on Multi-Cloud environment to make them more Scalable, Resilient and Fault-tolerant;
- **Digital Enabled Contact center (DECC):** As part of our DECC implementation, the Company has implemented multiple Next Generation Contact Centres (NGCC) across the global and business units. The DECC and Omni Channel Platform is further enhanced with Digital Capabilities, such as AI, Social Integration, Chat-Bot, Analytics etc. These state-of-art technologies are implemented to enhance and automate call handling capabilities by Digital/ AI interference, thus enhancing the Customer Experience (CX);
- **NextGen Cybersecurity:** Firstsource has also deployed various technical controls at the perimeter, Endpoints, Data center and end user computing; Threat and Vulnerability
- Threat and Vulnerability Management: Early Detection of vulnerability on Core Infra structure and proactive mitigation
  - Comprehensive Technical Compliance check through 3rd party covering the following:
  - Vulnerability Assessment
  - Penetration testing (Red Teaming Exercise)
  - Web Application Security Assessment
  - ASV Scans for PCI DSS Desktop Scans for PCI DSS
  - Source Code Review
  - Segmentation
  - Penetration Testing
  - Firewall Rule and configuration reviews
  - Cloud Infrastructure review
  - Network Config review
- Security Operations Center & Digital Footprint Monitoring -Continuous Monitoring.
- 24/7 continuous monitoring and helps increase Firstsource organization security posture while preventing, detecting, analysing, and responding to cybersecurity incidents.
- Digital Footprint monitoring is done through Security Scorecard that rates cybersecurity postures of corporate entities through completing scored analysis of cyber threat intelligence.
- The end users are required to go through Zero trust network (Zscaler) Cisco AnyConnect - VPN, High Secure Network Access, Cisco Duo - Two Factor Authentication and the end user computing are protected with Cisco AMP - EDR for Endpoints and Servers and the end user *internet and DNS are Cisco Umbrella - DNS Layer Security, Internet gateways using Cisco WSA - Blocking risky sites and al emails are protected by Cisco Mail Security.

C) Foreign Exchange Earnings and Outgo Activities relating to exports, initiatives taken to increase exports, development of new export markets for services and export plans:

The Company's income is diversified across a range of geographies and industries. During the year, 99.44% of the Company's standalone total revenues were derived from exports. The Company provides BPO services mostly to clients in North America, UK and Asia Pacific region. The Company has established direct marketing network around the world to boost its exports.

Foreign exchange earned and used:

The Company's Foreign Exchange Earnings and Outgo during the year were as under:

(Standalone figures in ₹ million)

Particulars	FY 2023-24	FY 2022-23
Foreign Exchange Earnings	15,921.48	12,671.78
Foreign Exchange Outgo (including capital goods and imports)	59.14	61.52

Secretarial audit:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company obtained Secretarial Audit Report from MMJB & Associates LLP (CP No. 8968), Company Secretaries for the FY 2023-24. The Secretarial Audit Report is annexed to this Report as Annexure V.

Annual secretarial compliance report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report issued by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has engaged the services of MMJB & Associates LLP (CP No. 8968), Company Secretaries for providing this certification.

Statutory auditors and auditors' report:

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, bearing Registration Number: 117366W/W-100018, were re-appointed as the Statutory Auditors of the Company by the members at their 21st Annual General Meeting (AGM) for a second term of consecutive five (5) years i.e. till the conclusion of 26th AGM.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

General:

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the FY 2023-24:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares to employees of the Company under any scheme save and except Employees Stock Option Schemes as referred to in this Report;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

Further, your Directors would like to mention that the MD & CEO received ₹112.74 million as remuneration during the year from Firstsource Group USA Inc. subsidiary of the Company.

The disclosure pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Circular No. CIB/ CFD/Policy/CELL/2, 2015 dated June 16, 2015, will be placed on the website of the Company.

Directors' responsibility statement:

Pursuant to the requirement under Section 134(3) (c) and 134(5) of the Companies Act, 2013, Directors of your Company state and confirm that:

1. In the preparation of the annual accounts for the FY 2023-24, the applicable Ind-AS accounting standards have been followed and there are no material departures from the same;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for year ended on that date;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The Directors had prepared the annual accounts on a going concern basis;
5. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Application/proceeding pending under IBC:

None of the application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

Acknowledgments:

The Board wishes to place on record its sincere appreciation for the support and co-operation extended by all the customers, vendors, bankers and business associates. The Board also expresses its gratitude to the Department of Telecommunications, Collector of Customs and Excise, Director of Special Economic Zone, Ministry of Labour, Ministry of Corporate Affairs, Software Technology Parks of India, and various Governmental departments and organizations for their help and cooperation.

Further, the Board places on record its appreciation to all the employees for their dedicated service. The Board appreciates and values the contributions made by every member across the world and is confident that with their continued support, the Company will achieve its objectives and emerge stronger in the coming years.

For and on behalf of the Board of Directors

Mumbai
May 03, 2024

Dr Sanjiv Goenka
Chairman
(DIN: 00074796)

Annexure I to the Directors' Report

Information required under Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2023-24 and

(ii) The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the FY 2023-24.

Name & Designation	% increase/ decrease in remuneration in the FY 2023-24	Ratio of remuneration of each Director to median remuneration of employees
Directors		
Dr Sanjiv Goenka, Chairman, NI-NED	66.67%	1.66
Mr Shashwat Goenka, Vice Chairman, NI-NED	8.33%	2.16
Mr Vipul Khanna, MD & CEO$	NA	36.12
Mr Ritesh Idnani, MD & CEO$	NA	40.07
Mr Pradip Kumar Khaitan, NI-NED	66.67%	1.66
Ms Vanita Uppal, I-NED	120%	1.82
Mr Pratip Chaudhuri, I-NED$$	33.33%	2.65
Mr Subrata Talukdar, NI-NED	(27.78%)	2.16
Mr Sunil Mitra, I-NED	15.38%	2.49
Mr Anjani Agrawal, I-NED#	15.79%	3.65
Mr Utsav Parekh, I-NED	400%	2.49
Ms Rekha Sethi, I-NED##	NA	0.83
Mr T. C. Suseel Kumar, I-NED##	NA	0.83
Key Managerial Personnel		
Mr Dinesh Jain, President & CFO*	21.32%	NA
Ms Pooja Nambiar, CS	11.50%	NA

Legends: KMP – Key Managerial Personnel, MD & CEO – Managing Director & CEO, NI-NED – Non Independent, Non-Executive Director, I-NED - Independent, Non-Executive Director, CFO – Chief Financial Officer; CS - Company Secretary

Notes:

*The remuneration is exclusive of taxable value of perquisite on stock options exercised during the year.

Non-Executive Directors have received only sitting fees and no other remuneration have been paid to them.

Median remuneration of all the employees of the Company for the FY 2023-24 is ₹301,560.

$Mr Ritesh Idnani was appointed as MD & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a Director and from the Post of MD & CEO of the Company from the closing of business hours on August 31, 2023.

$$The five (5) years term of Mr Pratip Chaudhuri as an Independent Director completed from the closing of business hours on March 31, 2024 by efflux of time.

#Three (3) years term of Mr Anjani K. Agrawal as an Independent Director completed from the closing of business hours on May 10, 2024 by efflux of time.

##Ms Rekha Sethi and Mr T C Suseel Kumar were appointed as an Additional (Non-Executive - Independent) Directors w.e.f. September 01, 2023. Further, their appointment were approved by the members through Postal Ballot via Special Resolution passed on October 27, 2023.

(iii) The percentage increase in the median remuneration of employees in the FY 2023-24

Median remuneration of employees during the FY 2023-24 was ₹301,560 compared to ₹293,904 of the previous financial year.

The payment of managerial remuneration was as per the remuneration approved by the Shareholders of the Company and within the limit specified under the Companies Act, 2013.

(iv) The number of permanent employees on the rolls of Company

As on March 31, 2024, there were 19,202 permanent employees on the rolls of Company on standalone basis.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentile increase in the median remuneration of comparable employees in the FY 2023-24 other than the MD & CEO was 7% and the increase in the salary of the MD & CEO was 0%.

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

Annexure II to the Directors' Report

1. Brief outline on CSR policy of the company:

RPSG GROUP CSR VISION

To be a leading and socially responsible Indian Group empowering lives by providing access to healthcare facilities, education, skill development, livelihood opportunities including in sports, arts, etc. to improve the overall quality of life.

FIRSTSOURCE SOLUTIONS LTD CSR VISION

Corporate social responsibility (CSR) lies at the core of everything the Company does. Firstsource is committed to advancing its CSR objectives through its overarching vision: "Create a nurturing and an empowering environment to deepen our societal engagement with a goal of improving lives and livelihood of communities on a sustainable basis."

Firstsource Solutions Limited Focused Areas of CSR Intervention:

1. Program Focus Area 1 Category: Healthcare
2. Program Focus Area 2 Category: Education
3. Program Focus Area 3 Category: Environment
4. Program Focus Area 4 Category: Art & Culture
5. Program Focus Area 5 Category: Gender equality and women empowerment
6. Program Focus Area 6 Category: Promoting Sports

2. Composition of CSR committee:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr Shashwat Goenka	Chairman (Non-Executive, Non-Independent Director)	1	1
2.	Mr Vipul Khanna*	Member (MD & CEO)	NA	NA
3.	Mr Ritesh Idnani*	Member (MD & CEO)	1	1
4.	Mr Subrata Talukdar	Member (Non-Executive, Non- Independent Director)	1	1
5.	Mr Anjani K Agrawal#	Member (Non-Executive, Independent Director)	1	1
6.	Dr Rajiv Kumar##	Member (Non-Executive, Independent Director)	NA	NA

* Mr Ritesh Idnani was appointed as MD & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a Director and from the Post of MD & CEO of the Company from the closing of the business hours on August 31, 2023. Accordingly, Mr Ritesh Idnani was nominated as a Member of the said Committee w.e.f. September 01, 2023.

#His term as an Independent Director of the Company will come to an end on May 10, 2024 (EOD) by efflux of time. Accordingly, he will cease to be member of the Committee.

##Inducted as a Member of the Committee w.e.f. May 11, 2024.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

https://www.firstsource.com/wp-content/uploads/2024/05/SROI-Firstsource-23-24.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

https://www.firstsource.com/wp-content/uploads/2024/05/SIA-Firstsource-23-24.pdf

5. Details of total CSR obligation:

Sl No.	Particulars	₹ in million
5(a)	Average net profit of the company as per sub-section (5) of section 135	₹3,765.07
5(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹75.30
5(c)	Surplus arising out of the CSR Projects or programs or activities of the previous financial years.	Nil
5(d)	Amount required to be set-off for the financial year, if any.	Not Applicable
5(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	₹75.30

6. Details given herein below

a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹75.30 million

b. Amount spent in Administrative Overheads: Nil

c. Amount spent on Impact Assessment, if applicable: Nil

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹75.30 million

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in millions.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹11.00	64.30	March 28, 2024	NA	NA	NA

f. Excess amount for set-off, if any: Not applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes : ☑ No:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

	Mr Ritesh Idnani	**Mr Shashawat Goenka**
Mumbai	MD & CEO	Chairman of the CSR Committee
May 03, 2024	(DIN 06403188)	(DIN 03486121)

Annexure IIIA to the Directors' Report

SUMMARY OF REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

1. Purpose of the policy

This policy aims to set out the approach to make payment of Remuneration to the Non-Executive Directors, including Independent Directors of Firstsource Solutions Limited ("the Company").

2. Objective

The Objective of this Policy is to ensure that-

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Non-Executive Directors of the quality required to run the Company successfully; and

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3. Remuneration to non-executive directors including independent directors

A. Remuneration/ Commission:

The Non-Executive Directors may be paid remuneration as may be approved by the Board of Directors whereas the aggregate amount of such remuneration shall not exceed one percent of the net profits of the Company, except with the approval of shareholders in the general meeting, computed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

B. Remuneration for Professional Services rendered by any Director:

The remuneration payable to any Director shall be inclusive of remuneration payable to him for services rendered in any other capacity. However, the remuneration for services rendered by any such Director in any other capacity shall not be so included if the services rendered are of a professional nature and in the opinion of the Nomination and Remuneration Committee, the Director possesses the requisite qualification for the practice of the profession.

C. Sitting Fees:

The Board of Directors, at its meeting held on August 1, 2014 had decided a sitting fees of ₹0.1 million to be paid for attending each meeting of the Board and ₹0.05 million for attending each meeting of a Committee of the Board of which the Director is member, payable to all the Non-Executive Directors of the Company including Independent Directors.

D. Reimbursement of Expenses:

Beside the sitting fees, Non-Executive Directors are also entitled for reimbursement of travel, hotel and other incidental expenses incurred by them in the performance of their roles and duties.

E. Stock Options:

Pursuant to the provisions of the Companies Act, 2013, an Independent Director of the Company shall not be entitled to any stock option of the Company.

F. Refund of Excess Remuneration paid to any Director:

If any Director draws or receives directly or indirectly, any remuneration in excess of the limits prescribed under the Companies Act, 2013 without prior consent of Shareholders/ Central Government, where required, he shall refund the same to the Company.

G. Premium on Insurance taken by the Company:

The premium paid on the insurance taken by the Company for indemnifying the Directors against any liability in respect of breach of trust for any negligence, default, misfeasance, breach of duty or breach of trust for which they may be found guilty in relation to the Company, shall not be treated as part of remuneration payable to any such Director. However, if such Director is proved guilty, the premium paid on such insurance shall be treated as part of remuneration.

Annexure IIIB to the Directors' Report

SUMMARY OF REMUNERATION POLICY FOR KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. Purpose

The purpose of this policy is to define the remuneration policy for employees at all levels.

2. Grade structure

The Company follows grade structure in most of the geographies. Broadly, grades are divided into Associates and Coordinators, Junior Management, Middle Management, Senior Management and MD & CEO.

3. Pay philosophy

The Company follows a total compensation approach by which it seeks to attract, retain and motivate employees.

4. Salary structure

All employees' salary structures are a mix of fixed pay components and variable pay components. In the Company, compensation practices differ across different levels and geographies.

5. Annual variable pay structure

Some employees get Variable Pay on an annual basis-

- **Eligibility:**
- Grade F1 and above employees having Annual Variable Pay;
- Variable pay is a part of an employee's CTC.
- Payout is linked to financial performance of the Company, Business Unit and individual employee's performance.
- The Company performance is decided by the Nomination and Remuneration Committee every year.
- Variable Pay Pool & Payout is approved by Nomination and Remuneration Committee.

6. Long term incentive plans/ esop

ESOP 2003:

a. Eligibility

- Eligibility restricted to senior positions - Critical and key employees
- All Grants approved by Nomination and Remuneration Committee
- Granted on quarterly basis for New joiners and Annually for existing employees

b. Vesting Schedule

- 25% after 1 year
- 12.5% after every 6 months for next 3 years

c. Exercise Period

- 10 years from the date of grant

Note: Since the inception of ESOP Plan 2019, no grants were made under ESOP 2003.

ESOP 2019:

a. Eligibility

- Granted to identified eligible key and critical employees;
- All Grants approved by Nomination and Remuneration Committee.

b. Vesting Schedule and Exercise period

Grants will be issued at face value of the shares or any higher price which may be decided by the Nomination and Remuneration Committee and will have an exercise period of three (3) years from the date of vesting as per the Scheme and as determined by the Nomination and Remuneration Committee.

The ESOP 2019 Plan is proposed to include grants to identified eligible employees under the Long Term Incentive Structure ('LTI'). The LTI will be tenure based or performance based as per the vesting conditions below:

Tenure based Structure (ESOP Structure):

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	25%
At the end of every quarter after year 1, till end of year 4 from date of grant	6.25%

Performance based Structure (PSU Structure) (The vesting Schedule is effective from May 3, 2024.):

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	15%
End of 24 months from the date of grant of options	20%
End of 36 months from the date of grant of options	25%
End of 48 months from the date of grant of options	40%

*Attainment of options can range between 0% and 150% of tranche eligible for vesting for the respective performance measurement period. Each tranche is separate. Performance and vesting in one period has no bearing on performance and vesting in another period. Subject to terms and conditions of the scheme, the performance-based component of the grant is measured basis the Performance targets as agreed annually by the Management.

7. Increments

The Company usually administers hikes as per the Company's policy and depending on geography, employee category, etc. and is subject to Board/ Nomination and Remuneration Committee approval.

Annexure IV to the Directors' Report

Form AOC-2

Details of Related Party Transactions

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of

Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   No contracts or arrangements or transactions entered into during the year under review, which were not at arms's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   No material contracts or arrangement or transactions at arm's length basis were entered by the Company during the year under review.

Annexure V to the Directors' Report

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Firstsource Solutions Limited
5th Floor, Paradigm 'B' wing,
Mindspace, Link Road, Malad (West),
Mumbai - 400064, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Firstsource Solutions Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (External Commercial Borrowings are not applicable to the Company during the Audit Period)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period) and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. mentioned above.

The Company has given the required disclosure under Reg. 30 of Listing regulations for delayed announcement of the record date for Interim Dividend.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

- The Special Economic Zones Act, 2005 and the rules made thereunder; and
- Information and Technology Act, 2000

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that, during the audit period the Company has:

- transferred 63,12,282 Equity Shares pursuant to exercise of the Employee Stock Options under ESOP Scheme through Firstsource Employee Benefit Trust to respective employees.
- incorporated Firstsource Solutions Australia PTY Limited, wholly owned subsidiary with an investment in share capital of AUS $ 50,000.

For **MMJB & Associates LLP**
Company Secretaries

Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968
PR: 2826/2022
UDIN: F008167F000298655

Date: May 3rd, 2024
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
Firstsource Solutions Limited
5th Floor, Paradigm 'B' wing,
Mindspace, Link Road, Malad (West),
Mumbai 400064, Maharashtra, India

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MMJB & Associates LLP**
Company Secretaries

Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968
PR: 2826/2022
UDIN: F008167F000298655

Date: May 3rd,2024
Place: Mumbai

Report On Corporate Governance

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing Stakeholders' value eventually.

Company's philosophy on corporate governance:

At Firstsource Solutions Limited, ('the Company'), adherence to Corporate Governance practices not only justifies the legal obedience of the laws but translates into ethical leadership and organizational stability. It is the sense of good governance that our leaders portray, which trickles down to the wider management and is further maintained across the entire functioning of the Company. Your Company envisages the importance of building trust and integrity through transparent and accountable communication with the internal and external stakeholders as well as the customers of the Company. This involves keeping the stakeholders of the Company updated on a timely basis about the development, the plans and the performance of the Company with a view to establish the long-term affiliations. The Company keeps itself abreast with the best governance practices on the global front and at the same time conforms to the recent amendments.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, to ensure good Corporate Governance practices across the Company in letter and in spirit. The Company has complied with all the mandatory requirements of the Listing Regulations and the detailed status of the same is covered separately hereafter.

Board of directors:

The Board of Directors ("the Board") of your Company provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board plays a crucial role in piloting the Company towards enhancement of the short-term and long-term value interests of stakeholders. The Board comprises of members distinguished in various fields such as management, finance, law, marketing, technology and strategic planning. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe.

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of the Listing Regulations. As on March 31, 2024, the Board comprised of twelve (12) experts drawn from diverse fields/ professions of which eleven (11 i.e. 92 percent) are Non-Executive Directors and one (1) is Executive Director. Seven (7 i.e. 58 percent) out of twelve (12) Directors are Independent Directors.

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

In view of amended Listing Regulations following Director are nominated on the Board of Company's two (2) material subsidiaries:

- Mr Utsav Parekh (DIN: 00027642), Director of the Company was nominated on the Board of Firstsource Group USA, Inc., USA;
- Mr Utsav Parekh (DIN: 00027642), Director of the Company was nominated on the Board of Firstsource Solutions UK Limited, UK.

For each Board and Committee meetings, agenda papers are circulated to the Directors/ Members at least seven (7) days before the meetings, supported with significant information including that as enumerated in Part A of Schedule II of the Listing Regulations for an effective and well-informed decision making during the meetings.

The Board meets at regular intervals to discuss and decide on the Company's business policy and strategy apart from other normal business, the maximum interval between any two meetings did not exceed one hundred twenty (120) days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Board has complete access to any information within the Company. Agenda papers containing all necessary information/ documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The information as specified in the Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration. During the year ended March 31, 2024 the Company had five (5) Board Meetings. These were held on:

1. May 04, 2023
2. August 02, 2023
3. September 01, 2023
4. November 08, 2023
5. February 07, 2024

Report On Corporate Governance

Time gap between any two meetings was not more than one hundred twenty (120) days.

Details of the Composition, Status, Attendance at the Board Meetings and last Annual General Meeting, Number of other Directorships and other Committee Memberships held are as under:

Name of the Director	Position/ Status	No. of Board Meetings Attended	No. of Equity Shares held as on March 31, 2024	Attendance at previous AGM Held On August 02, 2023 (Y-Yes, N-No)	Director-ships in other Public Companies as on March 31, 2024*	Committee Chairmanships/ Memberships in other Public Companies as on March 31, 2024**		Directorship in other listed entity (Category of Directorship)
						Chairmanships	Memberships	
Dr Sanjiv Goenka, Chairman+ (DIN 00074796)	NI- NED	5	-	Y	7	3	5	1. Saregama India Limited (Non-Executive, Non-Independent Director-Chairman) 2. PCBL Limited (formerly known as Phillips Carbon Black Limited) (Non-Executive, Non-Independent Director-Chairman) 3. CESC Ltd. (Non-Executive, Non-Independent Director-Chairman) 4. RPSG Ventures Limited (Non-Executive, Non-Independent Director-Chairman)
Mr Shashwat Goenka, Vice-Chairman+ (DIN 03486121)	NI-NED	5	-	Y	5	1	3	1. PCBL Limited (formerly known as Phillips Carbon Black Limited) (Non-Executive, Non-Independent Director) 2. CESC Ltd. (Non-Executive, Non- Independent Director) 3. RPSG Ventures Limited (Non-Executive, Non-Independent Director) 4. Spencer's Retails Limited (Non-Executive, Non-Independent Director)
Mr Vipul Khanna MD & CEO* (DIN 00889710)	ED	2	NA	Y	NA	NA	NA	NA
Mr Ritesh Idnani MD & CEO* (DIN 06403188)	ED	2	-	NA	1	-	1	-
Mr Pradip Kumar Khaitan (DIN 00004821)	NI-NED	5	-	Y	4	2	3	1. Electrosteel Castings Limited (Non-Executive, Independent Director-Chairman) 2. India Glycols Limited (Non-Executive, Independent Director) 3. CESC Limited (Non-Executive, Non-Independent Director)
Mr Subrata Talukdar (DIN 01794978)	NI-NED	3	-	Y	5	0	1	-
Mr Pratip Chaudhuri$ (DIN 00915201)	I-NED	5	NA	Y	4	0	4	1. Cosmo First Limited (Non-Executive, Non-Independent Director) 2. CESC Ltd. (Non-Executive, Independent Director) 3. Spencer's Retail Limited (Non-Executive, Independent Director)
Mr Sunil Mitra (DIN 00113473)	I-NED	5	NA	Y	6	3	4	1. CESC Limited (Non-Executive, Independent Director) 2. Century Plyboards (India) Limited (Non-Executive, Independent Director)
Mr Anjani K. Agrawal@ (DIN 08579812)	I-NED	5	NA	Y	5	2	5	1. Welspun Corp Limited (Non-Executive, Independent Director) 2. Vodafone Idea Limited (Non-Executive, Independent Director) 3. Emami Limited (Non-Executive, Independent Director)
Ms Vanita Uppal (DIN 07286115)	I-NED	4	NA	Y	-	-	-	-
Mr Utsav Parekh (DIN 00027642)	I-NED	5	NA	Y	8	3	8	1. Jayshree Tea & Industries Limited (Non-Executive, Independent Director) 2. Xpro India Limited (Non-Executive, Independent Director) 3. Texmaco Rail & Engineering Limited (Non-Executive, Independent Director) 4. Eveready Industries India Limited (Non-Executive, Non-Independent Director) 5. SMIFS Capital Markets Limited (Non-Executive, Non-Independent Director) 6. Spencer's Retail Limited (Non-Executive, Independent Director)
Ms Rekha Sethi# (DIN 06809515)	I-NED	2	-	NA	4	0	3	1. Samvardhana Motherson International Limited (Non-Executive, Independent Director) 2. CESC Ltd. (Non-Executive, Independent Director) 3. Spencer's Retail Limited (Non-Executive, Independent Director) 4. Kirloskar Brothers Limited (Non-Executive, Independent Director)
Mr T. C. Suseel Kumar# (DIN 06453310)	I-NED	2	-	NA	2	0	1	1. Manappuram Finance Limited (Non-Executive, Independent Director) 2. PCBL Limited (formerly known as Phillips Carbon Black Limited) (Non-Executive, Non-Independent Director)

Legends: I-NED: Independent, Non- Executive Director, NI- NED: Non Independent, Non Executive Director, ED: Executive Director

*The Directorships of other Indian Public Limited Companies only have been considered. Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies have not been considered.

**Memberships/Chairmanships in Audit Committee and Stakeholders Relationship Committee only of Indian Public Limited Companies have been considered.

+Mr Shashwat Goenka, Vice-Chairman is son of Dr Sanjiv Goenka, Chairman. No other Director is related to any other Director of the Company.

*Mr Ritesh Idnani was appointed as Managing Director & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a Director and from the Post of MD & CEO of the Company from the closing business hours of August 31, 2023.

$The five (5) years term of Mr Pratip Chaudhuri as an Independent Director completed from the closing of business hours on March 31, 2024 by efflux of time.

#Ms Rekha Sethi and Mr T. C. Suseel Kumar were appointed as an Additional (Non-Executive - Independent) Directors w.e.f. September 01, 2023. Further, their appointments were approved by the members through Postal Ballot via Special Resolution passed on October 27, 2023.

@Three (3) years term of Mr Anjani K. Agrawal as an Independent Director will be completed from the closing of business hours on May 10, 2024 by efflux of time.

In accordance with Section 167(1)(b) of the Companies Act, 2013, the Company requires its Board members to attend at least one meeting in a Financial Year.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Name of the Directors	Global Business	Strategy and Planning	Governance	Risk	Financial Performance
		Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems	Qualifications and experience in accounting and/or finance and the ability to: • Analyse key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning; and Oversee budgets and the efficient use of resources and oversee funding arrangements and accountability
1.	Dr Sanjiv Goenka, Chairman	✓	✓	✓	✓	✓
2.	Mr Shashwat Goenka, Vice-Chairman	✓	✓	✓	✓	✓
3	Mr Ritesh Idnani, MD & CEO	✓	✓	✓	✓	✓
4	Mr Pradip Kumar Khaitan	✓	-	✓	-	✓
5	Mr Subrata Talukdar	✓	✓	✓	✓	✓
6	Mr Sunil Mitra	✓	✓	✓	✓	✓
7	Mr Anjani K. Agrawal	✓	✓	✓	✓	✓
8	Ms Vanita Uppal	✓	-	✓	✓	✓
9	Mr Utsav Parekh	✓	-	✓	✓	✓
10	Ms Rekha Sethi	✓	-	✓	✓	✓
11	Mr T. C. Suseel Kumar	✓	-	✓	✓	✓
12	Dr Rajiv Kumar	✓	-	✓	✓	✓

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/ fields from where they come.

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

None of the Director on the Board is a Director (including any alternate directorship) in more than twenty companies. Also, none of the Director on the Board is a Director in more than 10 Public Companies.

None of the Directors on the Board is a Member of more than ten (10) Committees and Chairman of more than five (5) Committees across all Companies in which they are Directors and none of the Independent Directors serves as an independent director on more than seven (7) listed entities.

A certificate has been received from Makarand M. Joshi & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

The particulars of Directors, who are proposed to be appointed/ re-appointed at the ensuing Annual General Meeting ("AGM"), are given in the notice convening the AGM.

Committees of Board of Directors:

Audit committee:

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them as Independent Directors including the Chairperson/Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc.

Ms Pooja Nambiar, the Company Secretary acts as the Secretary to the Committee.

During the FY 2023-24, following four (4) meetings of the Audit Committee were held on:

1. May 04, 2023
2. August 01, 2023
3. November 08, 2023
4. February 07, 2024

The time gap between any two meetings was not more than one hundred twenty (120) days and the Company has complied with all the requirements as mentioned under the Listing Regulations and the Companies Act, 2013 ("the Act").

Details of the composition of the committee and the status of attendance during the year are as under:

Name of the Director/Member	Category	No. of Meetings Attended
Mr Utsav Parekh, Chairman	I-NED	4
Mr Anjani K. Agrawal*	I-NED	4
Mr Sunil Mitra	I-NED	4
Mr Subrata Talukdar	NI-NED	3
Mr T. C. Suseel Kumar**	I-NED	NA

I-NED: Independent, Non- Executive Director, NI-NED: Non- Independent, Non- Executive Director

*His term as an Independent Director of the Company will come to an end on May 10, 2024 (EOD) by efflux of time. Accordingly, he will cease to be Member of the Committee.

**Inducted as a Member of the Committee w.e.f. May 11, 2024.

The terms of reference of the Audit Committee covers the matters specified under Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act. This Committee has the following powers, roles and terms of reference:

1. To provide oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. To recommend to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fee;
3. To approve payment to statutory auditors for any other non-audit services rendered by them;
4. To review with the management, the quarterly/annual standalone and consolidated financial statements and auditors' report thereon, before submission to the Board for approval, with particular reference to:
   a. Matters to be specified in the Director's Responsibility Statement to be included in the Board's Report;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report.
5. To review with the management, the quarterly financial statements before submission to the board for approval;
6. To review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. To mandatorily review the following information:
   a. Management discussion and analysis of financial condition and results of operations;
   b. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
   c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
   d. Internal audit reports relating to internal control weaknesses;
   e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

f. statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

9. Invite such of the executives, as it considers appropriate (particularly the CFO) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company. The MD & CEO, CFO, Head of Internal Audit and a representative of the Statutory Auditors may be present as invitees to the meetings of the Audit Committee;
10. To secure attendance of outsiders with relevant expertise at the meetings of Audit Committee, if it considers necessary;
11. To review with the Management, performance of statutory and internal auditors and adequacy of the internal control systems;
12. To evaluate internal financial controls and risk management systems;
13. To review and monitor the Auditor's independence and performance and effectiveness of audit processes;
14. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and reviewing appointment, removal and terms of remuneration of the Chief Internal Auditor;
15. To discuss with internal auditors any significant findings and follow up thereon;
16. To review the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payments, if any, to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To direct the Company to establish a vigil mechanism for directors and employees to report genuine concerns to the Audit Committee and to ensure that the vigil mechanism provides adequate safeguards against victimization of persons who use such mechanism and make provisions for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases;
20. To ensure that the details of establishment of vigil mechanism is disclosed by the Company on its website and in Board's report;
21. To review the functioning of the Whistle Blower/ Vigil mechanism;
22. To approve appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
23. To scrutinise inter-corporate loans and investments;
24. To approve any subsequent modification of transaction/s of the Company with related parties;
25. To review valuation of undertakings or assets of the Company, wherever it is necessary;
26. To investigate into any matter or activity within its terms of reference referred to it by the Board and for this purpose shall have power to obtain legal or other professional advice from external sources and have full access to information contained in the records of the Company;
27. To seek information from any officer or employee of the Company;
28. To call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and also discuss any related issue/s with the Internal and Statutory Auditors and the Management of the Company;
29. To carry out any other function as is mentioned in the terms of reference of the Audit Committee or as enumerated in Section 177 of the Act or Regulation 18 of the Listing Regulations with Stock Exchanges or in any subsequent amendment thereto;
30. To exercise any other power or perform any other function as enumerated in the Act or the Listing Regulations with the Stock Exchanges or in any subsequent amendment thereto;
31. To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision.
32. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation, etc on the listed entity and its shareholders.

The MD & CEO, the CFO, the Statutory Auditors and all the Directors of the Company are invited to the meetings of the Audit Committee.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee's constitution, its role and terms of reference are in compliance with provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, as amended from time to time.

During FY 2023-24, following five (5) meetings of the Committee were held on:

1. May 04, 2023
2. August 01, 2023
3. September 01, 2023
4. November 08, 2023
5. February 06, 2024

Details of composition of the Committee and attendance during the year are as under:

Name of the Director/ Member	Category	No. of Meetings Attended
Mr Anjani K. Agrawal, Chairman*	I-NED	5
Mr T. C. Suseel Kumar, Chairman**	I-NED	NA
Mr Utsav Parekh**	I-NED	NA
Mr Pratip Chaudhuri**	I-NED	5
Mr Subrata Talukdar	NI-NED	3

I-NED: Independent- Non- Executive Director, NI-NED: Non-Independent, Non- Executive Director

* His term as an Independent Director of the Company will come to an end on May 10, 2024 (EOD) by efflux of time. Accordingly, he will cease to be Chairman and Member of the Committee.

** Mr Utsav Parekh and Mr T. C. Suseel Kumar, Non-Executive Independent Directors, were inducted as a member of the Committee by the Board w.e.f. April 01, 2024 in place of Mr Pratip Chaudhuri who ceased to be a Non-Executive Independent Director, on account of completion of his term from the closing of business hours on March 31, 2024 by efflux of time. Further, Mr T. C. Suseel Kumar was designated as the Chairman of the Committee w.e.f. May 11, 2024.

This Committee is entrusted with the following powers:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
2. To formulate the criteria for evaluation of Independent Directors and the Board and to carry out the evaluation of every Director's performance;
3. To formulate the criteria for determining qualification, positive attributes and independence of Directors;
4. To recommend/ approve remuneration of the Executive Directors and any increase therein from time to time, within the limit approved by the members of the Company;
5. To recommend/approve remuneration of Non-Executive Directors in the form of sitting fees for attending meetings of Board and its Committees, remuneration for other services, commission on profits, grant of stock options or payment of any other amount;
6. To decide the overall compensation structure/ policy for the Employees, Senior Management and the Directors of the Company including ratio of fixed and performance pay, performance parameters etc.;
7. To approve rating of Company's performance for the purpose of payment of annual bonus/performance incentive to Employees and Executive Director(s) of the Company;
8. To approve Management Incentive Plan or any other Incentive Plan for the purpose of payment of performance Incentive to the Employees and Executive Director(s) of the Company;
9. To engage the services of any consulting/professional or other agency at the cost of the Company for the purpose of recommending to the Committee on compensation structure/policy including Stock Option Scheme;
10. To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees;
11. To recommend amendment to Employees Stock Option Scheme of the Company or to recommend any such new Scheme for approval of members of the Company;
12. To exercise all the powers as mentioned in the Employees Stock Option Scheme of the Company to be exercised by the Compensation Committee of the Company;
13. To approve grant of stock options to Directors and Employees of the Company;
14. To invite any executive or outsider, at its discretion at the meetings of the Committee;
15. To devise a policy on Board diversity;
16. To recommend to the Board, all remuneration, in whatever form, payable to senior management;
17. To exercise such other powers as may be delegated to it by the Board from time to time.
18. To recommend to the board, all remuneration, in whatever form, payable to senior management;
19. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

20. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

Policy for Selection and Appointment of Non-Executive Directors:

The Nomination and Remuneration Committee has framed a policy relating to appointment of the Directors (Executive/Non-Executive) on the Board and the MD & CEO and their remuneration. The details of the said Policy are given hereunder:

a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in various fields namely marketing, finance, taxation, law, governance and general management;

b) In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall satisfy itself with regards to the experience, expertise and independent nature of the Directors vis-àvis the Company so as to enable the Board to discharge its functions and duties effectively;

c) The Nomination and Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Act;

d) The Nomination and Remuneration Committee shall consider the qualification, expertise and experience of the Directors in their respective fields whilst recommending to the Board the candidature for appointment as a Director;

e) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement level.

Remuneration Policy for Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fee and reimbursement of expenses for participation in the Board/Committee meetings. The details of Remuneration Policy for Non-Executive Directors and Independent Directors are given in Annexure IIIA to the Directors' Report forming part of this Annual Report.

Details of sitting fee paid to Non-Executive Directors during FY 2023-24:

All the Non-Executive Directors are paid sitting fees of ₹0.1 million for attending each meeting of the Board of Directors and ₹0.05 million for attending each meeting of any Committee of the Board.

The details of sitting fees paid to Non-Executive Directors during the FY 2023-24 are as under:

(Amount in ₹ million)

Name of the Director	Sitting Fee		
	Board Meetings	Committee Meetings#	Total
Dr Sanjiv Goenka, Chairman	0.50	-	0.50
Mr Shashwat Goenka, Vice-Chairman	0.50	0.15	0.65
Mr Pradip Kumar Khaitan	0.50	-	0.50
Mr Subrata Talukdar	0.30	0.35	0.65
Mr Pratip Chaudhuri $	0.50	0.30	0.80
Mr Anjani K. Agrawal^	0.50	0.60	1.10
Mr Sunil Mitra	0.50	0.25	0.75
Ms Vanita Uppal	0.40	0.15	0.55
Mr Utsav Parekh	0.50	0.25	0.75
Ms Rekha Sethi#	0.20	0.05	0.25
Mr T. C. Suseel Kumar#	0.20	0.05	0.25
TOTAL	**4.60**	**2.15**	**6.75**

@Sitting fees for attending meetings of all the committees including meeting of Independent Directors.

$Ceased to be a Non-Executive, Independent Director, on account of completion of his term from the closing of business hours on March 31, 2024 by efflux of time.

^Will cease to be a Non-Executive, Independent Director from the closing of business hours on May 10, 2024 by efflux of time.

#Ms Rekha Sethi and Mr T. C. Suseel Kumar were appointed as an Additional (Non-Executive, Independent) Directors w.e.f. September 01, 2023. Further, their appointments were approved by the members through Postal Ballot via Special Resolution passed on October 27, 2023.

Remuneration Policy for Key Managerial Personnel and other Employees of the Company:

The Company's Remuneration Policy for Key Managerial Personnel and other employees is driven by the success and the performance of the Company and the individual and industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high-performance workforce. The Company follows a mix of fixed/variable pay, benefits and performance related pay. The Company also grants stock options to senior management and deserving employees of the Company. The details of Remuneration Policy for Key Managerial Personnel and other Employees of the Company are given in Annexure III-B to the Directors' Report forming part of this Annual Report.

Remuneration of the MD & CEO:

The Nomination and Remuneration Committee of the Board is authorized to decide the remuneration of the MD & CEO, subject to the approval of the members and the Central Government, if required.

The details of remuneration of the MD & CEO for the year ended March 31, 2024 are as under:

(Amount in ₹ million)

Name	Salary & Allowances	Performance Bonus	Retirals *	Perquisites	Total
Mr Ritesh Idnani	10.90	-	0.96	0.22	12.08
Mr Vipul Khanna	8.16	2.73	-	-	10.89

*Retirals include contribution to Provident Fund but does not include provision for gratuity and this salary excludes the remuneration received by the MD & CEO from the Company's foreign subsidiary.

Note: Mr Ritesh Idnani was appointed as Managing Director & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a Director and from the Post of MD & CEO of the Company from the closing business hours on August 31, 2023.

The performance bonus as stated in the table above represents the variable component of the remuneration availed by the MD & CEO and was decided by the Nomination and Remuneration Committee based on the performance of the Company and the individual performance of the MD & CEO during the previous financial year. This was in line with the Remuneration Policy as approved by the Board.

During FY 2023-24, 4,500,000 stock options were granted to Mr Ritesh Idnani, MD & CEO under the Company's Employees Stock Option Scheme.

The notice period of termination either by the Company or by the MD & CEO is 3 months or payment of gross salary of 3 months by the Company as the case may be in lieu of notice.

Particulars of Senior Management

The particulars of senior management including the changes during FY 2023-24 are as follows:

Name	Designation
Mr Aftab Javed	Chief Human Resources Officer
Mr Akash Pugalia	President – Global Trust and Safety
Mr Aniket Maindarkar	Chief Marketing Officer
Mr. Arjun Mitra	President - Collections & US CM
Mr Ashish Chawla	President – CX and Consulting
Mr Dinesh Jain	Chief Financial Officer
Mr Hasit Trivedi	Chief Digital and AI Officer
Mr Prashanth Nandella**	Chief Operating Officer
Ms Pooja Nambiar	Company Secretary
Mr Rajiv Malhotra	President - EMEA
Mr. Sohit Brahmawar##	President – Chief Operating Officer
Mr Sundara Sukavanam	Head – Enterprise Transformation
Mr. Venkatgiri Vandali	President - Healthcare and Lifescience
Mr Vivek Sharma	President – CMT & Emerging Geos

**Resigned as the Chief Operating Officer of the Company w.e.f. May 31 2024

Appointed as the Chief Operating Officer of the Company w.e.f. June 10, 2024

Changes in Senior Management during FY 2023-24

Senior Management Personnel	Effective date
Appointments	
Mr Aftab Javed, Chief Human Resources Officer	August 02, 2023
Mr Akash Pugalia, President – Global Trust and Safety	May 03, 2024
Mr Aniket Maindarkar, Chief Marketing Officer	February 07, 2024
Mr Hasit Trivedi, Chief Digital and AI Officer	May 03, 2024

Stakeholders Relationship Committee:

One (1) meeting of the Committee was held during FY 2023-24 on August 01, 2023. The details of composition of the Committee and attendance during the year are as under:

Name of the Director/ Member	Category	No. of Meetings Attended
Mr Subrata Talukdar, Chairman	NI-NED	0
Mr Vipul Khanna*	NI-ED	1
Mr Ritesh Idnani*	NI-ED	NA
Mr Anjani K. Agrawal#	I-NED	1
Ms Rekha Sethi##	I-NED	NA

I-NED: Independent- Non- Executive Director, NI-NED: Non-Independent, Non- Executive Director

*Mr Ritesh Idnani was appointed as Managing Director & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a

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Director and from the Post of MD & CEO of the Company from the closing business hours on August 31, 2023. Accordingly, Mr Ritesh Idnani was nominated as a Member of the said Committee.

#His term as an Independent Director of the Company will come to an end on May 10, 2024 (EOD) by efflux of time. Accordingly, he will cease to be Member of the Committee.

##Inducted as a Member w.e.f. May 11, 2024.

The Stakeholders Relationship Committee and its terms of reference are in line with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. The Committee looks into the various aspects of interest of shareholders, debenture holders and other security holders. Further, the Committee reviews Shareholders'/Investors' complaints like non-allotment of shares under IPO, non-receipt/short receipt of IPO refund, non-receipt of Annual Report, physical transfer/transmission/transposition, split/consolidation of share certificates, issue of duplicate share certificates, etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including debenture-holders, deposit-holders and other security holders, if any.

This Committee has the following terms of reference:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Ms Pooja Nambiar, Company Secretary is the Compliance Officer of the Company.

The total numbers of communications/complaints received during the year were seventy-six (76), all of which were satisfactorily replied and there was no pending complaint as on March 31, 2024. The Company didn't receive any transfer request.

Corporate Social Responsibility Committee:

The Board had constituted Corporate Social Responsibility Committee as per terms of Section 135 of the Act. The Committee is entrusted with the following powers:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b) To recommend the amount of expenditure to be incurred on the activities referred in clause (a) above;

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time; and

d) To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.

One (1) meeting of the Committee was held during the year on February 07, 2024.

The details of composition of the Committee and attendance during the year are as under:

Name of the Director/ Member	Category	No. of Meetings Attended
Mr Shashwat Goenka, Chairman	NI-NED	1
Mr Vipul Khanna*	NI-ED	NA
Mr Ritesh Idnani*	NI-ED	1
Mr Subrata Talukdar	NI-NED	1
Mr Anjani K. Agrawal#	I-NED	1
Dr Rajiv Kumar##	I-NED	NA

I-NED: Independent- Non- Executive Director, NI-NED: Non-Independent, Non- Executive Director, NI-ED: Non-Independent, Executive Director

*Mr Ritesh Idnani was appointed as Managing Director & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a Director and from the Post of MD & CEO of the Company from the closing business hours on August 31, 2023. Accordingly, Mr Ritesh Idnani was nominated as a Member of the said Committee.

#His term as an Independent Director of the Company will come to an end on May 10, 2024 (EOD) by efflux of time. Accordingly, he will cease to be Member of the Committee.

##Inducted as a Member of the Committee w.e.f. May 11, 2024.

Risk Management Committee:

The Board had constituted Risk Management Committee on February 04, 2019 as per Regulation 21 of the Listing Regulations. The Committee shall have the following powers:

1. To formulate a detailed risk management policy which shall include
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. To assist the Board of Directors ("Board") in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks;
3. To assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities;
4. To review and approve the Risk management policy and associated framework, processes and practices;
5. To evaluate significant risk exposures including business continuity planning and disaster recovery planning in case of any significant changes to client profile or on an Annual basis;
6. To assess management's actions in mitigating the risk exposures in a timely manner;
7. To promote Enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the Management of the Company ensures the implementation and effective functioning of the entire risk management process and embedding of a comprehensive risk management culture in the Company at every stage of its operations;
8. To assist the Board in maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions;
9. To maintain an aggregated view on the risk profile of the Company/ Industry in addition to the profile of individual risks;
10. To ensure the implementation of and compliance with the objectives set out in the Risk Management Policy;
11. To advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations;
12. To review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time;
13. The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required the Committee may assign tasks to the Internal Auditor, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.
14. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Two (2) meetings of the Committee were held during the year on August 01, 2023, and January 18, 2024.

The maximum interval between two meetings did not exceed one hundred eighty (180) days.

The details of composition of the Committee and attendance during the year are as under:

Name of the Director/Member	Category	No. of Meeting Attended
Mr Shashwat Goenka, Chairman	NI-NED	2
Mr Vipul Khanna*	NI-ED	1
Mr Ritesh Idnani*	I-NED	1
Ms Vanita Uppal	I-NED	2
Mr Dinesh Jain	President & CFO	2
Mr Arun Tyagi#	EVP –Finance	2

I-NED: Independent- Non- Executive Director, NI-NED: Non-Independent, Non- Executive Director, NI-ED: Non-Independent, Executive Director

*Mr Ritesh Idnani was appointed as Managing Director & CEO w.e.f. September 01, 2023 in place of Mr Vipul Khanna who resigned as a Director and from the Post of MD & CEO of the Company from the closing business hours on August 31, 2023. Accordingly, Mr Ritesh Idnani was nominated as a Member of the said Committee.

#Ceased to a Member of the Committee from the closing business hours on January 18, 2024.

Other Committees of the Board:

Investment Committee:

The Committee comprises of Mr Shashwat Goenka as Chairman, Mr Vipul Khanna (ceased to be a member from the closing business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani (appointed as a Member w.e.f. September 01, 2023) and Mr Subrata Talukdar as Members. It reviews the investment decisions made by the Management, ensures adherence to the 'Investment Policy' of the Company and approves modifications to the Investment Policy as may be required from time to time.

During the year under review, no meeting of the Investment Committee was held.

Strategy Committee:

The Committee comprises of members viz. Mr Shashwat Goenka, as Chairman, Mr Vipul Khanna (ceased to be a member from the closing business hours on August 31, 2023 on account of his resignation), Mr Ritesh Idnani (appointed as a member w.e.f. September 01, 2023) and Mr Subrata Talukdar as Members. It deliberates on various strategic initiatives from time to time. During the year under review, no meeting of the Strategy Committee was held.

General body meetings:

Venue, day, date and time of last three (3) Annual General Meetings (AGM):

Meeting and Venue	Day & Date and Time
22nd Annual General Meeting Meeting conducted through VC / OAVM pursuant to the MCA Circular	Wednesday, August 02, 2023 10.00 a.m.
21st Annual General Meeting Meeting conducted through VC / OAVM pursuant to the MCA Circular	Tuesday, August 03, 2022 10.00 a.m.
20th Annual General Meeting Meeting conducted through VC / OAVM pursuant to the MCA Circular	Thursday, July 29, 2021 12.00 noon

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Details of Special Resolutions passed:

a) 22nd AGM held on August 02, 2023:

(i) Appointment/continuation of Mr Pradip Kumar Khaitan (DIN 00004821) as a Director of the Company.

b) 21st AGM held on August 03, 2022:

(i) Appointment/continuation of Mr Pradip Kumar Khaitan (DIN 00004821) as a Director of the Company;

(ii) Appointment of Ms Vanita Uppal (DIN 07286115), as an Independent Director of the Company;

(iii) Approval of Amendment in Firstsource Employees Stock Option Scheme 2019 (ESOP 2019).

c) 20th AGM held on July 29, 2021

(i) Appointment/continuation of Mr Pradip Kumar Khaitan (DIN 00004821) as a Director of the Company.

During the period under review no EGM was held.

Postal ballot:

During last financial year ended March 31, 2024, the Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated September 01, 2023 for below Special Businesses, which was duly passed on October 27, 2023 and the results of which were announced on October 30, 2023. Mr Omkar Dindorkar (Certificate of Practice No. 24580), Partner of M/s. MMJB & Associates LLP, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner:

1. Appointment of Mr Ritesh Idnani (DIN: 06403188) as the Managing Director & CEO ("MD & CEO") of the Company;
2. Re-Appointment of Mr Sunil Mitra (DIN: 00113473) as an Independent Director of the Company;
3. Appointment of Mr T. C. Suseel Kumar (DIN: 06453310) as an Independent Director of the Company; and
4. Appointment of Ms Rekha Sethi (DIN: 06809515) as an Independent Director of the Company.

The details of the resolution passed and voting results has been depicted herein below:

Sr. No.	PARTICULARS	TYPE OF RESOLUTION (ORDINARY / SPECIAL)	FOR THE RESOLUTION			AGAINST THE RESOLUTION		
			No. of Voters	No. of Shares Voted	% of total valid votes cast	No. of Voters	No. of Shares Voted	% of total valid votes cast
1	Appointment of Mr Ritesh Idnani (DIN: 06403188) as the Managing Director & CEO ("MD & CEO") of the Company	Special	765	51,71,21,475	94.11	110	3,23,26,567	5.88
2	Re-Appointment of Mr Sunil Mitra (DIN: 00113473) as an Independent Director of the Company	Special	821	54,73,89,658	99.63	50	20,58,378	0.37
3	Appointment of Mr T. C. Suseel Kumar (DIN: 06453310) as an Independent Director of the Company	Special	828	54,85,52,561	99.84	41	8,94,474	0.16
4	Appointment of Ms Rekha Sethi (DIN: 06809515) as an Independent Director of the Company	Special	805	50,95,72,386	92.76	67	3,97,75,854	7.24

In compliance with General Circular No.11/2022 of Ministry of Corporate Affairs read with the Sections 108 and 110 and other applicable provisions of the Act, read with the related Rules, the Company had provided electronic voting (e-voting) facility, to all its members. For this purpose, the Company had engaged the service of Central Depository Service (India) Limited ("CDSL"). The Company had completed the dispatch of the Postal Ballot Notice dated September 01, 2023 along with the Explanatory Statement through email, to the shareholders who had registered their e-mail IDs with the Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

The voting under the postal ballot was kept open from Thursday, September 28, 2023 from 9.00 a.m. IST to October 27, 2023 upto 5.00 p.m. IST (both days inclusive). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer submitted his report to the Company and the results of the postal ballot were announced by the Company on October 30, 2023. The voting results were sent to the Stock Exchanges and were also displayed on the Company's website www.firstsource.com and on the website of CDSL www.evoting.com.

Training for Board Members:

Pursuant to Regulation 25 of the Listing Regulations, the Company has put in place a system to familiarise its Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Newly appointed Independent Directors are taken through roles and responsibilities. To ensure that they uphold the highest standards of business conduct, Code for Independent Directors, Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/re-appointment. Further, presentations are made at the Board and its Committee meetings, on a quarterly basis, covering the business and financial performance of the Company and its subsidiaries, quarterly/annual financial results, revenue and capital budget, review of Internal Audit findings, etc.

The details of such familiarization programs are published on the Company's website at:

https://www.firstsource.com/wp-content/uploads/2024/02/Policy-on-Familiarisation-of-Independent-Directors-IN.pdf

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the Management.

Performance Evaluation:

Pursuant to the provisions of the Act and the Listing Regulations, the Board carries out the annual performance evaluation of its own performance, the Directors individually (including the Chairman) as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The details of the performance evaluation process are given in the Directors' Report under the heading "Board Evaluation" which forms part of the Annual Report.

Statutory auditors:

The details of fees pertaining to services provided by the statutory auditor and entities in the network firm/network entity of which the statutory auditor is a part, to Firstsource Solution Limited and its subsidiaries during the year ended March 31, 2023 are given in the following table:

Particulars	Amount (₹ In million)
Auditors remuneration and expenses	
- Audit fees	20.00
- Taxation matters	0.60
- Other services	5.00
- Reimbursement of expenses	0.60
Total	**26.20**

Disclosures:

i. Related Party Transactions:

The transactions with related parties as per Accounting Standard AS- 18 are set out in Notes to Accounts under Note no. 27 forming part of financial statements.

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required under Ind-AS have been made in the Notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at

https://www.firstsource.com/wp-content/uploads/2024/02/Related-Party-Transaction-Policy-IN.pdf

ii. Disclosures from Senior Management:

In Compliance with Regulation 26(5) of the Listing Regulations, disclosures from Senior Management are obtained on as quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

iii. Compliances by the Company:

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

iv. Whistle Blower Policy/Vigil Mechanism:

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to Directors, Employees, Agents, Consultants, Vendors and Business Partners to disclose instances of wrongdoing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose instances of any irregularity, unethical practice and/ or misconduct and protect such individuals in the event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral & legal business practices in every field of activity within the scope of its work. Policy provides for a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

a) Encourage and enable Directors, Employees, Agents, Consultants, Vendors and Business Partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company;

b) Ensure that Directors, Employees, Agents, Consultants, Vendors and Business Partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof;

c) Reassure the whistle blower/(s) that they will be protected from possible reprisals or victimization, if they have made disclosures in good faith;

d) Ensure that where any wrongdoing by the Company or any of its Directors, Employees, Agents, Consultants, Vendors and Business Partners, is identified and reported to the Company under this policy, it will be dealt with expeditiously, thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrongdoing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. All complaints received under the said policy are reviewed by the Audit Committee at its meeting held every quarter.

In staying true to our values of Strength, Performance and Passion and in line with Company's vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and Stakeholder Responsibility.

v. Corporate Social Responsibility Activities:

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility (CSR) Committee, details of which are given earlier in this Report. An Annual Report on CSR Activities forms part of Directors' Report. The Company has also formulated Corporate Social Responsibility Policy and same is available at the website of the Company viz.

https://www.firstsource.com/wp-content/uploads/2024/02/Firstsource-CSR-Policy-24-25.pdf

vi. Global Ethics Compliance, Gift & Entertainment Policy and Anti Bribery Policy:

The Company has implemented Global Ethics Policy, Gift & Entertainment Policy and Anti Bribery Policy after keeping in mind the regulatory requirements of UK Bribery Act, 2010 ("UKBA") and US Foreign and Corrupt Practices Act, 1977 ("FCPA"). A system of ongoing training, monitoring and review of bribery and corruption issues has been implemented. The Company observes 'zero tolerance' policy towards unethical behaviour and bribery.

vii. CEO/CFO Certification:

Certification on financial statements pursuant to Regulation 17(8) of the Listing Regulations has been obtained from the MD & CEO and the CFO of the Company. Extract of the same is given at the end of this Report.

viii. Code of Conduct for Directors and Senior Management:

The Board has laid down Code of Conduct for Executive Directors and Senior Management and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the MD & CEO in this regard is given at the end of this Report. The Code of Conduct is available at the website of the Company.

https://www.firstsource.com/wp-content/uploads/2024/02/Code-of-conduct-for-Executive-Directors-Senior-management-IN.pdf

ix. Code of Conduct for Prohibition of Insider Trading:

The Company has framed 'Firstsource Solutions Code of conduct for prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015 ("the Code"), as amended from time to time which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations, the Company sends intimations to Stock Exchanges from time to time. Further, the Company has maintained a structured digital database containing the name of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases is maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

x. Compliance Reports:

The Board reviews the compliance reports on all laws applicable to the Company on a quarterly basis. The MD & CEO submits a 'Compliance Certificate' to the Board every quarter based on the compliance certificates received from the functional heads and heads of subsidiaries of the Company.

xi. Subsidiary Companies:

As on March 31, 2024, the Company had 23 Subsidiaries, one (1) domestic subsidiary and Twenty two (22) foreign subsidiaries. One (1) domestic subsidiary and Twenty (20) out of Twenty two (22) foreign subsidiaries are wholly owned by the Company or its subsidiary companies. The Company has no material non-listed Indian Subsidiary Company as defined in Regulation 16 of the Listing Regulations. The Company has a policy for determining 'material subsidiary' which is available on website of the Company viz.

https://www.firstsource.com/wp-content/uploads/2024/02/Material-Subsidiary-Policy-IN.pdf

Nanobi Data and Analytics Private Limited is an associate company.

Summary of Resolutions passed by the subsidiary companies on a quarterly basis are placed at the Board Meetings of the Company. The consolidated financial statements of the Company and its subsidiaries are reviewed by the Audit Committee.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name of the Material Subsidiary as per Reg 16(c) of SEBI (LODR) Regulation 2015	Date & Place of Incorporation of the Material Subsidiary	Name & Date of the appointment of the Statutory Auditors of such subsidiaries
Firstsource Solutions UK Limited (FSL UK)	Date of Incorporation: May 23, 2000 Place of Incorporation: London (England)	August 05, 2022
Firstsource Health Plans and Healthcare Services, LLC	Date of Incorporation: May 26, 2011. Place of Incorporation: Delaware (USA)	August 05, 2022
Firstsource Solutions USA LLC	Date of Incorporation: April 01, 2010 Place of Incorporation: Kentucky (USA)	August 05, 2022
Medassist Holding LLC (MedAssist)	Date of Incorporation: April 01, 2003 Place of Incorporation: Kentucky (USA)	August 05, 2022
Firstsource Group USA, Inc.	Date of Incorporation: November 25, 2009 Place of Incorporation: Delaware (USA)	August 05, 2022

xii. Policies as Per SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("Listing Regulations"):

The Company has framed Policy for Preservation of Documents, Policy for Determination of Materiality of Events/ Information and Archival Policy as per requirement of Listing Regulations. The same are available on the website of the Company viz.

https://www.firstsource.com/wp-content/uploads/2024/02/Archival-Policy-IN.pdf

xiii. Risk Management & Internal Control:

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report.

In view of Listing Regulations, effective April 01, 2019, the Board constituted a Risk Management Committee on February 04, 2019 to monitor and mitigate potential risks associated with the Company and its business.

The Company has a competent in-house Internal Audit team which prepares and executes a vigorous Audit Plan covering various functions such as operations, finance, human resources, corporate secretarial, legal, administration and business development etc. across different geographies. Internal Audit function presented the audit outcomes to the audit committee on a quarterly basis. The Audit Committee and the Management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

xiv. Prevention of Sexual Harassment Policy:

The Company has Prevention of Sexual Harassment policy to promote a protective and healthy work environment. The complaints received are investigated by a Committee instituted within the policy framework. Details of actions recommended by the Committee and implemented by the Company are reviewed by the Audit Committee at its meeting held every quarter. The Company has a zero-tolerance policy towards such sexual harassment. Employees are trained and made aware of the policy requirements at the time of induction and once every year during their employment. Vendor staff compliances are ensured through agreement and regular monitoring. As on March 31, 2024, there were overall 22 cases of sexual harassment reported for India in FY 2023-24, out of which 19 are closed and 3 pending. The 3 pending case are well within 90 days TAT (Turn Around Time).

xv. Secretarial Standards Issued by the Ministry of Corporate Affairs:

The Company follows Secretarial Standard-1 (SS-1) on "Meetings of the Board of Directors" and Secretarial Standard-2 (SS-2) on "General Meetings" which were issued and amended from time to time by the Ministry of Corporate Affairs based on the recommendation of the Institute of Company Secretaries of India.

xvi. Management Discussion and Analysis Report:

Management Discussion and Analysis Report forms a part of this Annual Report.

xvii. Independent Directors:

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management whenever they consider it appropriate or necessary. They are provided with necessary resources and support to enable them to analyze the information/ data provided by the Management and help them to perform their role effectively.

xviii. Share Reconciliation Audit:

As stipulated by SEBI, a qualified Practising Company Secretary carries out reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

xix. Requirements of Chapter IV of Listing Regulations:

The Company has complied with all applicable requirements of Chapter IV of the Listing Regulation.

xx. Discretionary Requirements under Regulation 27:

The Company has adopted the following discretionary requirements as prescribed in Part E to Schedule II under Regulation 27 of the Listing Regulations:

a) Shareholders' Rights:

The Company follows a practice of e-mailing the quarterly and annual financial statements to all shareholders, who have provided their e-mail addresses to the Depositories through their respective Depository Participants.

b) Unqualified Audit Report:

The Company adopts best practices to move towards a regime of financial statements with unmodified audit opinion. There are no audit qualifications in the Company's financial statements for the year ended March 31, 2024.

c) Separate posts of Chairman and CEO:

There are separate posts of the Chairman and the MD & CEO and there is a clear demarcation of the roles and responsibilities of the Chairman and the MD & CEO of the Company.

Means of communication:

The announcement of quarterly and annual financial results to the Stock Exchanges is followed by media call and earnings conference calls subject to directives issued by the Government from time to time.

The quarterly and annual consolidated financial results are normally published in Financial Express (English) and Loksatta (Marathi).

The following information is promptly uploaded on the Company's website viz. https://www.firstsource.com/:

- Standalone and Consolidated financial results, investors' presentations, press release, fact sheet and transcript of earnings conference calls;
- Shareholding pattern (Regulation 31(1) of Listing Regulations) filed with Stock Exchanges on a quarterly basis; and
- Presentations made to institutional investors or the analysts.

General shareholder information:

I. Annual General Meeting:

Day, Date & Time	Tuesday, July 30, 2024 at 10.00 a.m.
Venue	Meeting will be conducted through VC/ OAVM pursuant to the MCA Circular dated May 05, 2020 read with circulars dated April 08, 2020, April 13, 2020, January 13, 2021, May 05, 2022, December 28, 2022 and September 25, 2023.

II. Financial Year:

April 1, 2024 to March 31, 2025

Financial Calendar (Tentative): FY25

Q1 ending June 30, 2024	Last week of July 2024 or First/ Second week of August 2024
Q2 ending September 30, 2024	Last week of October 2024 or First/ Second week of November 2024
Q3 ending December 31, 2024	Last week of January 2025 or First/ Second week of February 2025
Q4 and financial year ending March 31, 2025	First/ Second week of May 2025
Annual General Meeting (FY 2024-25)	In the month of July 2025 or August 2025

III. Dates of Book Closure for Annual General Meeting (both days inclusive):

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 24, 2024 to Tuesday, July 30, 2024 (both days inclusive) for the purpose of the Annual General Meeting.

IV. Dividend:

The Board vide the resolution passed at its Board Meeting held on February 07, 2024 declared an interim dividend at the rate of 35% i.e. ₹3.50 per share of ₹10/- each. Interim dividend declared by the Company was paid on Thursday, February 29, 2024.

V. Listing on Stock Exchanges and Payment of Listing Fee:

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) - Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 and the BSE Limited (BSE). - P. J. Towers, Dalal Street, Mumbai 400 001. Annual Listing fee for FY 2023-24 were paid by the Company to NSE and BSE on time.

VI. Custodian Fee to Depositories:

The Company has paid fee for FY 2023-24 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on time.

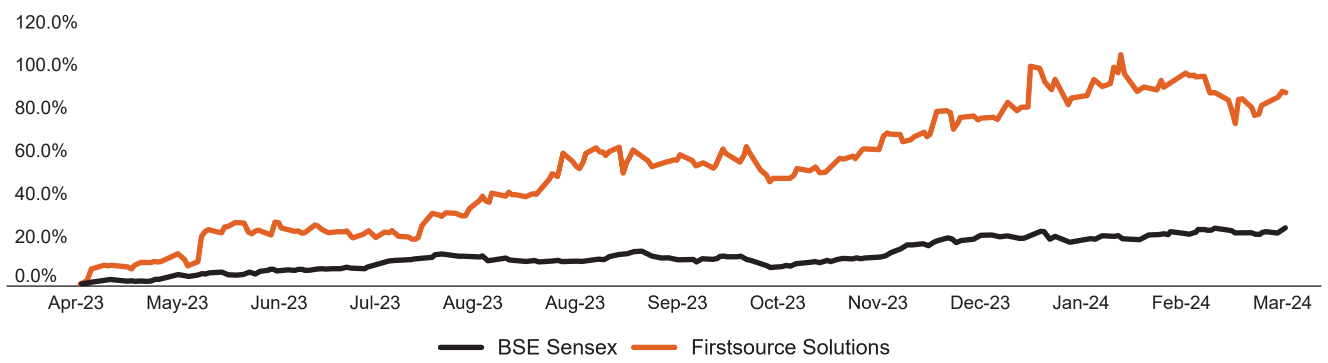
VII. (a) Stock Code / Symbol:

NSE	FSL
BSE	532809
ISIN in (NSDL and CDSL)	INE684F01012
Corporate Identity Number (CIN)	L64202MH2001PLC134147

VIII. Market Price Data – The market price data i.e. monthly high and low prices of the Company's shares on NSE and BSE are given below:

Month	NSE			BSE		
	Share Price (₹)		No. of shares traded	Share Price (₹)		No. of shares traded
	High	Low		High	Low	
Apr – 2023	117.20	103.80	17,267,798	117.20	103.80	1,305,556
May – 2023	136.65	111.60	108,869,645	136.55	111.75	6,985,767
Jun – 2023	137.20	122.15	34,488,917	137.05	122.20	1,999,786
Jul – 2023	127.20	142.25	69,373,934	145.95	124.50	4,284,453
Aug – 2023	169.45	140.60	7,6942,573	169.40	140.70	5,022,767
Sep – 2023	174.80	153.45	57,611,584	174.75	154.00	3,220,959
Oct – 2023	176.00	148.30	41,369,227	176.00	148.40	2,124,579
Nov – 2023	180.85	154.20	46,947,573	180.80	154.10	2,853,981
Dec – 2023	192.90	172.00	52,126,366	192.80	172.05	3,335,630
Jan – 2024	217.00	181.80	117,684,419	217.05	181.85	7,557,786
Feb – 2024	221.50	190.50	6,1095,748	221.40	190.50	4,045,148
Mar – 2024	208.20	178.40	26,339,030	208.00	178.55	2,208,624

IX. The performance of share price of the Company in comparison to BSE Sensex is given below:



X. Registrar & Transfer Agent:

3i Infotech Limited

Tower #5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi

Mumbai - 400 703. Email: fsl@3i-infotech.com

XI. Share Transfer System:

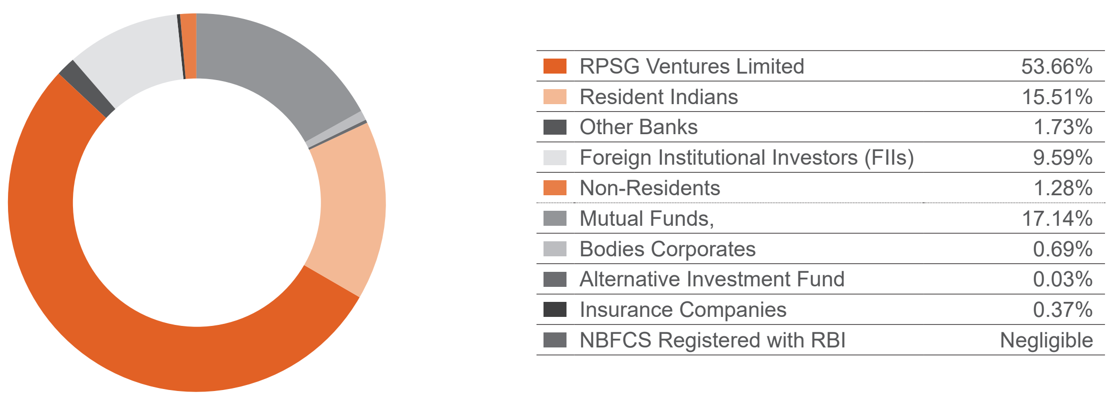
The transfer of shares in physical form is generally processed by Registrar & Transfer Agent within a period of seven (7) days from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are done by Depositories viz. NSDL and CDSL. In compliance with Regulation 40(9) of the Listing Regulations, the Company obtains a certificate from a Practicing Company Secretary on a yearly basis confirming that all certificates have been issued within one (1) month from the date of lodgement for transfer, sub-division, consolidation, etc.

XII. Distribution of shareholding as on March 31, 2024:

Share Holding (Nominal Value)	Shareholders		Nominal Capital	
₹	Number	% to total	₹	% to total
1	2	3	4	5
Upto 5000	242,765	89.13	253,343,160.00	3.63
5001-10000	15,881	5.83	126,735,870.00	1.82
10001-20000	6,990	2.57	105,564,180.00	1.51
20001-30000	2,291	0.84	59,090,660.00	0.85
30001-40000	976	0.36	35,323,830.00	0.51
40001-50000	894	0.33	42,327,210.00	0.61
50001-100000	1,319	0.48	96,700,050.00	1.39
100001 and above	1,247	0.46	6,250,823,300.00	89.68
Total	**272,363**	**100.00**	**6,969,908,260.00**	**100.00**

The Shareholding pattern as on March 31, 2024 is given as under:

Firstsource Solutions Limited
Shareholding Pattern as on March 30, 2024
Total No. of shares: 696,990,826



Top 10 Shareholders as on March 31, 2024:

Sr. No.	Name of the Shareholders	Category of Shareholder	No of Shares	%
1	RPSG Ventures Limited	Promoters	373,976,673	53.66
2	HDFC Small Cap Fund	Mutual Funds	58,322,707	8.37
3	ICICI Bank Limited	Bank	12,029,927	1.73
4	Tata Digital India Fund	Mutual Funds	10,123,112	1.45
5	ICICI Prudential Technology Fund	Mutual Funds	9,734,317	1.40
6	Firstsource Employee Benefit Trust	Resident Indian	9,376,900	1.35
7	Steinberg India Emerging Opportunities Fund Limited	FIIs	7,500,000	1.08
8	SBI Technology Opportunities Fund	Mutual Funds	7,000,000	1.00
9	Ishares Core MSCI Emerging Markets ETF	FIIs	4,728,430	0.68
10	Vanguard Total International Stock Index Fund	FIIs	4,081,663	0.59
Total			**496,873,729**	**71.29**

XIII. Dematerialization of Shares and Liquidity:

Trading in the Company's shares is permitted only in dematerialised form. The Company has established connectivity with both the Depositories viz. NSDL and CDSL through its Registrar and Share Transfer Agents, whereby the investors have the option to dematerialise their shares with either of the depositories.

The Company obtains a certificate from a Practising Company Secretary every quarter, which confirms that total issued capital of the Company is in agreement with total number of shares in dematerialised form with NSDL and CDSL and shares in physical form.

Shares held in dematerialised and physical form as on March 31, 2024:

	Shareholders		Share Capital	
	No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total share Capital
Dematerialised Form				
NSDL	109,545	40.22	648,824,065	93.09
CDSL	162,813	59.78	48,165,636	6.91
Total in dematerialised from	**272,358**	**100.00**	**696,989,701**	**100.00**
Physical Form	5	0.00	1,125	0.00
Total	**272,363**	**100.00**	**696,990,826**	**100.00**

As on March 31, 2024, almost 100% of the paid-up share capital constituting 99.99% of the number of shareholders, is in dematerialised form.

Details of Unclaimed Shares:

The Company made an Initial Public Offering (IPO) in February 2007. The Equity shares issued pursuant to the said IPO which remained unclaimed are lying in the Demat Suspense Account/Escrow Account of the Company with ICICI Bank Ltd. The Company had sent three (3) reminders to the investors requesting them to furnish correct demat account details so that the shares lying in the said Escrow Account can be transferred to their demat account.

Pursuant to Schedule V of the Listing Regulations, the details of unclaimed shares as on March 31, 2024 are as under:

Particulars	No. of shareholders	No. of shares
Outstanding shares in the Escrow Account with ICICI Bank Ltd. as on April 01, 2023	49	5,521
Investors who have approached the Company for transfer of shares from Escrow Account during the FY 2023-24	0	0
Investors to whom shares were transferred from Escrow Account during the FY 2023-24	0	0
Outstanding shares in the Escrow Account as on March 31, 2024	49	5,521

XIV. Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any convertible instruments, conversion date and likely impact on Equity:

The Company had fully discharged its obligation towards the bondholders in December 2012. The Company did not have any other outstanding convertible instruments/ADRs/GDRs/Warrants as on March 31, 2024.

Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

XV. Delivery Centres:

The Company along with its 23 subsidiaries has 40 global delivery centers of which 12 are located in India, 16 in the USA, 8 in the UK, 3 in the Philippines and 1 in Mexico as per the details given below:

India (12): Chennai (3), Mumbai (3), Bangalore (2), and 1 each in Trichy, Pondicherry, Hyderabad & Vijayawada.

USA (16): Louisville in Kentucky, Kingston & Amherst in New York, Salt Lake City in Utah, Colorado Springs in Colorado, Sunrise in Florida, Dallas in Texas, Chattanooga in TN (Tennessee), Atlanta in Georgia, Laporte in Indiana, York PA in Pennsylvania, Palm Bay, FL (2 Sites - Innovation & Commerce Park) in Florida, Thousand Oak in California, Dayton Ohio in Ohio, Palm Bay, FL in Florida, Chico in Chico.

United Kingdom (8): 1 each in Manchester, Belfast, Londonderry, Middlesbrough, Derby, London, Birmingham & Pontypridd.

Philippines (3): Cebu, McKinley, Makati.

Mexico (1): Mexico City.

XVI. Address for Correspondence:

Ms Pooja Nambiar
Company Secretary
Firstsource Solutions Ltd.
5th Floor, Paradigm 'B' wing, Mindspace, Link Road,
Malad-(W), Mumbai 400 064
Tel. No.: 91 (22) 6666 0888
Fax: 91 (22) 6666 0887

Dedicated e-mail Ids for redressal of Investors Grievances:

fsl@3i-infotech.com
complianceofficer@firstsource.com

Mumbai
May 03, 2024

Practising company secretaries' certificate regarding compliance of conditions of corporate governance

To,
The Members of
Firstsource Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Firstsource Solutions Limited ("the Company") for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MMJB and Associates LLP**
Company Secretaries

Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968
PR: 2826/2022
UDIN: F008167F000298655

Place: Mumbai
Date: May 03, 2024

Certification from the Managing Director & CEO and the CFO:

In terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("Listing Regulations"), we hereby certify as under:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. The Company have indicated to the Auditors and the Audit Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which the Company have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Firstsource Solutions Limited

Ritesh Idnani
MD & CEO

For Firstsource Solutions Limited

Dinesh Jain
President & CFO

Mumbai
May 03, 2024

Declaration by the Managing Director & CEO on 'Code of Conduct'

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them.

Ritesh Idnani
MD & CEO

Mumbai
May 03, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS:

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Firstsource Solutions Limited
5th Floor, Paradigm 'B' wing, Mindspace, Link Road,
Malad (West), Mumbai-400064, Maharashtra, India.

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to Firstsource Solutions Limited having CIN L64202MH2001PLC134147 and having registered office at 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai-400064, Maharashtra, India (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on 31st March 2024.

Table A

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Sanjiv Goenka	00074796	03/12/2012
2.	Mr. Ritesh Idnani	06403188	01/09/2023
3.	Mr. Shashwat Goenka	03486121	05/12/2012
4.	Mr. Pradip Kumar Khaitan	00004821	14/11/2014
5.	Mr. Subrata Talukdar	01794978	05/12/2012
6.	Mr. Sunil Mitra	00113473	01/04/2019
7.	Mr. Pratip Chaudhuri	00915201	01/04/2019
8.	Mr. Anjani K. Agrawal	08579812	11/05/2021
9.	Ms. Vanita Uppal	07286115	05/05/2022
10.	Mr. Utsav Parekh	00027642	02/11/2022
11.	Ms. Rekha Sethi	06809515	01/09/2023
12.	Mr. T C Suseel Kumar	06453310	01/09/2023

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

For **MMJB & Associates LLP**
Practicing Company Secretaries

Saurabh Agarwal
Designated Partner
Membership No: F9290
C.P. No.: 20907
UDIN: F009290F000305894

Date: May 3, 2024
Place: Mumbai

Business Responsibility & Sustainability Report

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L64202MH2001PLC134147
2.	Name of the Listed Entity	Firstsource Solutions Limited
3.	Year of incorporation	December 6, 2001
4.	Registered office address	5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad - West, Mumbai - 400 064, India
5.	Corporate address	5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad - West, Mumbai - 400 064, India
6.	E-mail	investor.relations@firstsource.com
7.	Telephone	+ 91 22 6666 0888
8.	Website	https://www.firstsource.com
9.	Financial year for which reporting is being done:	April 1, 2023 – March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, NSE Limited
11.	Paid-up Capital	₹ 6,969.91 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr Aftab Javed E-mail id: investor.relations@firstsource.com Designation: Chief Human Resource Officer Contact: + 91 22 6666 0888
13.	Reporting boundary	The disclosures under this report are made on standalone basis pertaining to Firstsource Solutions Limited
14.	Name of assurance provider	No assurance obtained on non-financial indicators in FY 2023-24.
15.	Type of assurance obtained	No assurance obtained on non-financial indicators in FY 2023-24.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	BPS services (NIC Code: 63999)	To provide IT enabled BPS services to Banking and Financial services, Healthcare, Communication Media and Technology and Other Diverse Industries.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Banking, Financial Services	63999	38.4%
2	Healthcare	63999	21.0%
3	Communication Media & technology	63999	40.2%
4	Other Diverse Industries	63999	0.4%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	12	12
International	-	28	28

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	6 (India) 2 (Philippines)
International (No. of Countries)	4

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of Firstsource is 99.44% (standalone).

c. A brief on types of customers

Firstsource assist customers in reimagining business processes and enhancing efficiency through digital interventions and solutions in the banking and financial services, healthcare, communications, media & technology, and other diverse industries. Firstsource's customers represent a wide range of industry sectors across the world. Firstsource serve more than 150 clients, including Fortune 500 and FTSE 100 companies across diversified sectors.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
EMPLOYEES						
1	Permanent (D)	4,171	2,887	69.2%	1,284	30.8%
2	Other than Permanent (E)	4	4	0.0%	0	0.0%
3	**Total employees (D + E)**	**4,175**	**2,891**	**69.2%**	**1,284**	**30.8%**
WORKERS						
1	Permanent (F)	12,762	8,075	63.3%	4,676	36.6%
2	Other than Permanent (G)	2,265	1,317	58.1%	948	41.9%
3	**Total workers (F + G)**	**15,027**	**9,392**	**62.5%**	**5,624**	**37.4%**

Note: 11 Permanent workers have not disclosed gender.

b. Differently abled Employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	18	13	72%	5	28%
2	Other than Permanent (E)	0	0	0%	0	100%
3	**Total differently abled employees (D + E)**	**18**	**13**	**72%**	**5**	**28%**
DIFFERENTLY ABLED WORKERS						
1	Permanent (F)	29	19	66%	9	31%
2	Other than Permanent (G)	3	1	33%	2	67%
3	**Total differently abled workers (F + G)**	**32**	**20**	**63%**	**11**	**34%**

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21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12	2	16.66
Key Management Personnel	3	1	33.33

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	15.71%	20.16%	17.00%	26.1%	28.1%	26.6%	28%	28.4%	28.1%
Permanent workers	36.50%	39.12%	37.51%	41.4%	47.2%	43.5%	47.9%	49.8%	48.6%

Note - Firstsource continued its efforts on wellness, skill up-gradation, I&D drives like WiN and mentor programs have played a role. Also, Firstsource has launched REACCH code - its value code.", a guide that provides and helps all of us with behavioral attributes to make it a better and more inclusive workplace.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	RPSG Ventures Limited	Holding	53.66%	No, Firstsource is reporting on Business Responsibility and Sustainability Reporting on Standalone basis
2	Firstsource Process Management Services Limited [Wholly Owned Subsidiary ("WOS") of the Company];	Subsidiary	100%	
3	Firstsource Solutions UK Limited, UK (WOS of the Company);	Subsidiary	100%	
4	Firstsource Solutions S.A., Argentina (Subsidiary of Firstsource Solutions UK Limited);	Subsidiary	99.98%	
5	Firstsource BPO Ireland Limited (WOS of Firstsource Solutions UK Limited);	Subsidiary	100%	
6	Firstsource Group USA, Inc., USA (Subsidiary of the Company);	Subsidiary	100%	
7	Firstsource Business Process Services, LLC, USA (WOS of Firstsource Group USA, Inc);	Subsidiary	100%	
8	Firstsource Advantage, LLC, USA (WOS of Firstsource Business Process Services, LLC);	Subsidiary	100%	
9	One Advantage, LLC, USA (WOS of Firstsource Business Process Services, LLC);	Subsidiary	100%	
10	MedAssist Holding, LLC, USA (WOS of Firstsource Group USA, Inc);	Subsidiary	100%	
11	Firstsource Solutions USA, LLC, USA (WOS of MedAssist Holding, LLC);	Subsidiary	100%	
12	Firstsource Health Plans and Healthcare Services, LLC, USA (Formerly known as Firstsource Transaction Services, LLC) (WOS of Firstsource Solutions USA, LLC);	Subsidiary	100%	
13	Sourcepoint, Inc. (WOS of Firstsource Group USA, Inc);	Subsidiary	100%	
14	Sourcepoint Fulfillment Services, Inc. (WOS of Sourcepoint, Inc.);	Subsidiary	100%	
15	Firstsource Dialog Solutions (Private) Limited (Subsidiary of the Company);	Subsidiary	74%	
16	PatientMatters LLC (WOS of Firstsource Solutions USA, LLC);	Subsidiary	100%	
17	Kramer Technologies, LLC (WOS of PatientMatters LLC);	Subsidiary	100%	
18	Medical Advocacy Services For Healthcare, Inc. (WOS of PatientMatters LLC);	Subsidiary	100%	
19	The StoneHill Group, Inc (WOS of Sourcepoint, Inc.);	Subsidiary	100%	
20	American Recovery Services, Inc. (WOS of Firstsource Business Process Services, LLC, USA);	Subsidiary	100%	
21	Firstsource Solutions Mexico, S. de R.L. de C.V. (WOS of Firstsource Group USA, Inc)	Subsidiary	100%	
22	Firstsource Solutions Jamaica Limited (WOS of Firstsource Group USA, Inc)	Subsidiary	100%	
23	Firstsource BPO South Africa (Pty) Ltd. (WOS of Firstsource Solutions UK Limited)	Subsidiary	100%	
24	Firstsource Solutions Australia Pty Limited (WOS of the Company)	Subsidiary	100%	
25	Nanobi Data and Analytics Private Limited	Associate	21.79%	

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 15,988.40 million

(iii) Net worth (in ₹): 24,107.27 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Yes/No)	FY 2023-24			FY 2022-23		
		No. of complaints filed	No. of complaints pending	Remarks	No. of complaints filed	No. of complaints pending	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	76	0	NA	95	0	NA
Employees and workers	Yes	208	2	The pending complaints are under resolution	79	6	The pending complaints are resolved
Customers	Yes	0	0	NA	0	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (Anonymous/email/letters)	NA	NA	NA	NA	NA	NA	NA

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Cyber Security / Data Privacy Risk	Risk & Opportunity	**Risk** • Cyber attacks pose a major threat to data safety and privacy protection. • Firstsource may suffer due to cyber-attacks/data breach incidents which can harm Firstsource's reputational image. **Opportunity** • Leading information security practices & implementing global information security standards will result in higher client confidence and business	**Certifications and Compliance:** • Operation centers are ISO 27001 certified, with processes certified under HIPAA, HITRUST, and SOC2. Regular audits ensure adherence, with a zero-tolerance policy for non-compliance. **Technical Controls and User Security:** • Deployment of controls at network perimeters, servers, data centers, and end-user computing. End users access systems via a High Secure VPN with Two-Factor Authentication and are protected by EDR, DLP, Encryption, DNS Layer Security, and a Secure Mail Gateway. **Threat and Vulnerability Management:** • Proactive detection and mitigation of infrastructure vulnerabilities, complemented by third-party assessments, including vulnerability and penetration tests, web application security assessments, PCI DSS compliance scans, source code reviews, and cloud infrastructure reviews. **Continuous Monitoring:** • A Security Operations Center provides 24/7 monitoring to enhance security posture and respond to incidents in real-time. Digital footprint monitoring through Security Scorecard ensures comprehensive cybersecurity analysis.	**Negative** **Costs of Implementation:** • The financial outlay for maintaining certifications, conducting regular audits, and deploying advanced security technologies can be significant. **Potential Fines:** • Non-compliance with security standards can result in substantial fines and penalties. **Positive Risk Mitigation:** • Effective security measures reduce the risk of costly data breaches, ransomware attacks, and related financial losses. **Reputation and Trust:** • Robust security enhances the company's reputation, leading to increased customer trust and potentially higher revenue. **Operational Efficiency:** • Proactive threat management and continuous monitoring can prevent disruptions, ensuring stable business operations and avoiding revenue loss.
2.	Technology Risks (leveraging AI & emerging tech)	Risk	In the rapidly evolving business landscape, emerging disruptive technologies are reshaping the dynamics between clients and suppliers. Clients, facing persistent budget constraints, are increasingly inclined to reduce back-office costs, while suppliers are innovating to offer additional services and generate supplementary revenues. Technologies like Cloud Computing, Artificial Intelligence, Data Analytics software, Social Media platforms, and Process Automation software are revolutionizing the Business Process Services (BPS) industry, empowering businesses to enhance efficiency and lower operational costs. BPS companies are swiftly adapting, leveraging these technologies to provide value-added services through strategic technology enablement, partnerships, and alliances.	**Digital Solutions Development:** • Recognizing the importance of digital transformation, the Company has invested in the development of a wide suite of Digital Solutions. These solutions encompass Robotics Process Automation, Digital, and Analytics, aligning with the industry's shift towards automation and data-driven decision-making. **Productization Initiatives:** • As part of its productization strategy, the Company has integrated domain expertise with cutting-edge technology to create innovative offerings. By combining industry knowledge with best-in-class digital tools, it aims to deliver high-value solutions that address the evolving needs of clients and capitalize on emerging market opportunities.	**Digital Solutions Development:** • **Positive** Investing in digital solutions enhances competitiveness and revenue potential. Automation efficiencies lead to long-term cost savings and profitability. • **Negative** Initial investment costs may arise but are offset by potential revenue streams and efficiency gains. **Productization Initiatives:** • **Positive** Leveraging expertise for specialized offerings boosts customer satisfaction and revenue. Scalable streams lead to improved financial performance. • **Negative** Upfront investment in development and marketing is required but yields long-term growth and market positioning benefits.

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Human Resource Risk	Risk and opportunity	**Risk:** • Attrition threatens operational disruption, increased costs, and performance inconsistency. Difficulty in recruiting and retaining skilled talent may exacerbate wage inflation, impacting profitability and competitiveness. Inadequate succession planning and leadership changes can disrupt business continuity, impede strategic execution, and affect employee morale. Ethical lapses and misconduct pose reputational damage, legal liabilities, and trust erosion among stakeholders. **Opportunity:** • Effectively managing attrition fosters talent retention, stability, and a conducive environment for growth and innovation. Overcoming recruitment challenges and managing wage inflation enhances workforce stability, supports expansion, and bolsters market position. Strong succession planning ensures organizational resilience, sustains client relationships, and fosters employee commitment, driving long-term success. Upholding ethical standards enhances brand reputation, builds trust, and differentiates the company as an ethical and responsible business entity in the market.	• Strengthening talent retention through upskilling and career development initiatives. • Implementing effective Reward & Recognition programs to enhance employee engagement and morale. • Innovating recruitment practices, including strong employee referral programs and campus hiring strategies. • Establishing a robust Code of Conduct and whistle-blowing mechanism to address unethical behavior. • Ensuring competitive compensation and succession planning aligned with career aspirations.	**Positive** • Effective retention strategies can reduce turnover costs and improve productivity, potentially enhancing financial performance. • Successful recruitment practices and wage management can lead to workforce stability and operational efficiency, possibly improving financial outcomes. • Strong succession planning ensures leadership continuity, mitigating risks and maintaining stability, potentially supporting long-term financial growth. • Upholding ethical standards and fostering a culture of integrity can enhance brand reputation, build trust, and attract investors, potentially resulting in long-term financial gains. **Negative** • Attrition-related costs, such as recruitment and training expenses, may negatively impact profitability. • Difficulty in recruiting skilled talent and wage inflation can increase personnel expenses, potentially reducing profit margins. • Inadequate succession planning may result in leadership gaps and disruptions, negatively affecting business continuity and performance. • Ethical breaches and misconduct may lead to legal liabilities, reputational damage, and loss of business opportunities, impacting financial results.
4.	Empowering workplace	Risk & Opportunity	**Risk** • Health and safety of employees is a critical aspect for ensuring employee welfare and overall productivity. **Opportunity** • Participation of employees from diverse background creates an inclusive business ecosystem which is conducive for talent retention.	• Firstsource have implemented a comprehensive and robust occupational health & safety policy and effective mechanisms to protect employees from workplace hazards/injuries. • Recurrent training programs are conducted for all relevant stakeholders in order to mitigate health & safety risks from Firstsource's business operations.	**Positive** • Workforce diversity fosters creativity, improves performance, and enables a healthy organisational culture by bringing fresh perspectives, experiences, and ideas. **Negative** • Any health & safety incident occurrence has the potential to result in loss of productive work time, delay in business response and eventually leading to monetary loss thereby impacting profitability.
5.	Environment and Climate Action	Risk & Opportunity	**Risk** • Economic disruptions due to climate related transition risk (new regulations/policies) can impact Firstsource's growth and profitability. • Extreme weather events due to climate change (water scarcity/heavy rainfall) pose a physical risk of disruption to Firstsource's business operations and the safety and wellbeing of its employees. **Opportunity** • Better brand image/ reputation as environmentally responsible business. • Monetary savings from use of low emission/ renewable sources of energy, operating from energy efficient green buildings and usage of low carbon fuel transport.	• Establishing climate change action plans integral to overall business strategy. • Implementing carbon emission reduction targets/ decarbonization roadmap. • Establishing business continuity/crisis management plans.	**Positive** • Adopting climate change mitigation as an integral part of business strategy will help us to proactively prepare for future change in national/ international climate related regulations. • Enhanced reputation with customers and shareholders for being resilient to climate change related business disruptions. **Negative** • Investment to undertake climate change impact assessment and formulate business strategic plans to mitigate the climate change impacts may result in significant cost and require investments

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Customer Centricity	Opportunity	• This gives the opportunity to be the leaders in this segment by being the preferred choice for all customers across different business segments. • Achieving customer delight and satisfaction provides an excellent opportunity for business leadership and growth.	Not a risk	**Positive** • Positive brand image and a strong customer satisfaction rate will help in being the platform of choice, resulting in increased business and profitability.
7.	Community Impact	Opportunity	Firstsource consistently work to foster social development as it firmly believe that doing so is an essential element of its success.	Not a risk	**Positive** • Through Firstsource's values and principles, it created a positive impact in communities and foster growth in education, skill development, women empowerment, healthcare, and livelihood for the impoverished, and contribute to the UN SDGs

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	All policies can be viewed under 'Corporate Governance' at - https://www.firstsource.com/investor-relations/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

4.	Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P1 – The employees are guided to conduct business legally and ethically by Firstsource's publicly available **Business Conduct and Global Ethics Policy**. To manage these risks and protect the value of all stakeholders, Firstsource has trained all its employees in ethics and integrity. P2 – Firstsource has incorporated **ISO 9001:2008** into its Quality Management System. Firstsource follow **Kaizen, Lean, and Six Sigma** methodologies for process improvement. **Sustainable Supply Chain policy** is available publicly on the website. P3 – The principles outlined in **International Labor Organization (ILO)** conventions are followed by us. Our policies cover a wide range of topics, including global inclusion and diversity, human rights and equal opportunity, and business conduct and ethics. While some of our centers have received **ISO 45001:2018 and ISO 14001:2015** certification, we make sure that the standards of **ISO 45001:2018 and ISO 14001:2015** certification are upheld in the non-certified centers as well. P4 – The **policy on materiality provides** guidance on **stakeholder engagement**. P5 – Human rights violations are forbidden by Firstsource's publicly available **Human Rights and Equal Opportunity policy**. Additionally, Firstsource follow the rules outlined in the **International Labor Organization (ILO)** conventions. P6 – Some of our centers have received **ISO 45001:2018 and ISO 14001:2015**, but we make sure that the standards of **ISO 45001:2018 and ISO 14001:2015** certification are upheld in the non-certified centers as well. On the website, you can access Firstsource's **Global Quality, Health, Safety, Environment & Energy Management Policy and ESG policy** for public access. P7 – The **Code of Conduct** has elements of ethical dealing in public platforms. P8– The **CSR policy** complies with Companies Act, 2013. P9 – Firstsource holds certifications in line with prominent global standards, including the **Payment Card Industry Data Security Standard (PCI DSS), ISO 27001:2013, and HITRUST**. To guarantee the privacy, availability, and integrity of the data that Firstsource give to each of its clients, Firstsource also abide by a few legal and regulatory compliance principles.
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	To meet Firstsource's sustainability goals and targets, Firstsource is currently reviewing and establishing them, along with a clear timeline and implementation strategy. Firstsource is working to address global challenges by aligning business practices with sustainable development principles. Firstsource hope to make significant progress toward a more sustainable future by setting ambitious but attainable goals. Firstsource is dedicated to transparency and accountability, contributing to a more resilient and equitable world.
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Firstsource's targets and goals are currently being established. This report's "Section C" contains the information about Firstsource's governance, social, and environmental performance.
Governance, leadership, and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	The change is centered on sustainability to significantly improve the lives of Firstsource's community, shareholders, staff, and clients. Firstsource is currently updating and setting interim and long-term targets on a variety of environmental criteria as part of its target oriented ESG strategy. Firstsource is dedicated to sustainable growth, which entails improving its digital goods, empowering people, and broadening Firstsource's portfolio. Firstsource has established an impact sourcing program with the goal of hiring people from a variety of backgrounds to reduce socioeconomic gaps and offer opportunities for high-potential talent. Firstsource wants to keep analyzing the effects of its operations along the value chain and enhancing its ESG reporting as Firstsource proceed. Firstsource's frameworks and initiatives are in line with the United Nations Sustainable Development Goals (UN SDGs) and the Global Reporting Initiative (GRI) standards.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr Pankaj Kapoor, Head of Strategy & Investor Relations.

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9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	The Risk Management Committee does, in fact, assess the risks associated with ESG as well as the performance of these strategies.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	As part of the ESG review, the Risk Management Committee assesses and reviews the business responsibility and sustainability policies on a regular basis or as needed. The effectiveness of the policies is assessed during the review, and any necessary changes to the policies or procedures are made.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Firstsource diligently adhere to all relevant regulations, ensuring full compliance without any instances of non-compliance.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N		N		N		N		N		N		N		N		N	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

This question is not applicable as the answer to above question is "No".

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities to demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Ethics and integrity are fundamental pillars for establishing a sustainable business and achieving consistent operational excellence. Firstsource promotes a robust corporate governance structure that upholds values of responsibility, transparency, and honesty.

As a responsible business entity, Firstsource is dedicated to fostering effective governance practices while cultivating a culture that actively manages risks and upholds the highest standards of business conduct throughout the organization.

Firstsource's Business Conduct and Ethics Policy, as well as its Global Ethics Policy, are publicly available resources designed to guide its employees in conducting business with legality and integrity. Additionally, Firstsource has conducted ethics and integrity training for all employees to equip them with the necessary tools to manage risks effectively and uphold the interests of all stakeholders.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	Pursuant to Regulation 25 of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Newly appointed Independent Directors are taken through roles and responsibilities. To ensure that they uphold the highest standards of business conduct, Code for Independent Directors, Code of Conduct for Non-Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/re-appointment. Further, presentations are made at the Board and its Committee meetings, on a quarterly basis, covering changes and developments in the domestic/global corporate and industry scenario, the Company's sustainability initiatives, the business and financial performance of the Company and its subsidiaries, quarterly/annual financial results, revenue and capital budget, review of Internal Audit findings, etc. The details of such familiarization programmes are published on the Company's website: https://www.firstsource.com/wp-content/uploads/2024/02/Policy-on-Familiarisation-of-Independent-Directors-IN.pdf		100%
Key Managerial Personnel	11	Groups • Anti-Bribery • Cyber Security and IT Training Programs • Communication Training Programs • Human Right/Human Resource Training Programs • Health and Safety Programs	55%
Employees other than BoD and KMPs	54	Groups • Client Specific • Cyber Security and IT Training Programs • Anti-Bribery • Ethics and Compliance Programs • Human Right/Human Resource Training Programs • Health and Safety Programs • Ethics and Compliance Programs • Communication Training Programs • Consumer related training programmes	90%
Workers	54	Group • Ethics and Compliance Programs • Anti-Bribery • Human Right/Human Resource Training Programs • Cyber Security and IT Training Programs • Client Specific • Communication Training Programs • Consumer related training programmes • Ethics and Compliance Programs (Client specific training) • Health and Safety Programs	94%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): (BRSR Core)

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	There have been no instances of fines/penalties/punishment/award/compoundingfees/settlement amount paid in proceedings with regulators/law enforcement agencies/judicial institutions, in the FY 2023-24 based on materiality as specified in Regulation 30 of SEBI (LODR) Reg 2015.				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Firstsource has 'zero tolerance' towards bribery. The anti-bribery policy outlines the Company's prohibition of any conduct that could be seen as bribery. Anti-corruption components are also included in this policy. The policy aims to provide guidance to all employees acting on behalf of the company, including employees, agents, representatives, vendors, business partners, and others, in order to ensure adherence to applicable anti-bribery laws, rules, and regulations. Firstsource's anti-bribery policy is available on website: Click here

To uphold the standards of corporate conduct, Firstsource's executive directors and senior management are bound by a code of conduct. The Code aims to prevent misconduct and promote ethical business practices, including anti-bribery guidelines. The code is available on the website: Click here

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	No complaints against Firstsource's Directors, KMPs, Employees and Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption	No complaints against Firstsource's Directors, KMPs, Employees and Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption
KMPs		
Employees		
Workers		

6. Details of complaints regarding conflict of interest

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	41	34

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Sales to dealers/distributors as % of total sales	-	-
	b. Number of dealers/distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	-	-
	b. Sales (Sales to related parties/Total Sales)	88.5%	84.1%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	-	-
	d. Investments (Investments in related parties/Total Investments made)	97.4%	95.4%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, Firstsource has adopted the Code of Conduct for the Board of directors, which sets out clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Code is communicated to all directors and senior management members, and they are obliged to provide individual declaration of benefits and interests. The code is available on the website and can be viewed at Code of conduct for Executive Directors and Senior management.

Business Responsibility & Sustainability Report

PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe

Firstsource supports the ethical and sustainable procurement of goods and services. Firstsource has a sustainable supply chain policy in place that encourages moral and responsible behavior across the value chain. By doing so, Firstsource aims to lessen negative environmental impact and contribute to a better society, while also generating overall value for its stakeholders.

As part of the Quality Management System, Firstsource has adopted ISO 9001:2008 in some of its centers. Firstsource adheres to Six Sigma, Lean and Kaizen process improvement approaches.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   Firstsource's goal is to boost the effectiveness of operations and customer service while ensuring sustainability through digitalization. Firstsource has implemented projects to reduce energy consumption and promote digitalization across all its processes. At present, Firstsource does not track the percentage of R&D and CAPEX investments in specific technologies to improve product and processes' environmental and social impacts. Going forward, Firstsource intends to track the data on R&D and Capital expenditure (CAPEX) investments.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, Firstsource is committed to procuring goods and services in a safe and sustainable manner. Firstsource has implemented a Sustainable Supply Chain policy comprising processes and guidelines to ensure sustainable and ethical practices across its value chain.

   Sustainable Supply Chain policy: Click here

   Supplier Code of Conduct: Click here

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Yes. As a part of the onboarding process, all the value chain partners are required to complete background verification on ethical business conduct and compliance. Firstsource assesses all new vendor partners on ESG compliance and encourage sustainable sourcing. Firstsource has evaluated the top 20 critical vendors based on the business value that accounts for 75% of the total procurement spend (includes global data). This evaluation is done through a third party who annually assesses health and safety practices, environment, human rights, sexual harassment, child labor, forced labor/involuntary labor and working conditions of value chain partners.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for**

Waste type	Waste management procedure in place
Plastic (including packaging) E-waste Hazardous waste other waste.	As a BPS company, Firstsource focus on providing various Business Process Services services rather than manufacturing products. Therefore, discussions about health and safety issues related to manufacturing operations would not be applicable to Firstsource's operations. However, Firstsource has waste management strategies in place for its own operations. Firstsource has introduced the 5R framework- Refuse, Reduce, Reuse, Repurpose, and Recycle for the products or components it use in its operation. As a technology company Firstsource generate electronic waste (e-waste) such as laptops, printers, scanners, batteries, air conditioners and other electronic hardware. Firstsource diligently monitor and manage its e-waste ensuring that it undergoes proper recycling, repair, or repurpose through approved vendors at the end of its life cycle. All waste generated within Firstsource's premises is segregated into individual waste streams and disposed of according to local legislation requirements.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Not applicable. Firstsource is a Business Process Services (BPS) Company and do not manufacture any products.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not applicable. Firstsource is a provider of Business Process Services (BPS) services and do not manufacture any products.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk/concern	Action Taken
	Not Applicable	

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Not Applicable		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous Waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains

Creating a healthy work environment for employees is critical to achieving long-term growth. Firstsource's mission is to create a workplace where everyone feels valued, thus they are constantly working to improve employee well-being while maintaining a safe and productive workplace. Firstsource has developed policies that promote diversity, equal opportunity, and non-discrimination throughout the company. Firstsource offers additional benefits to ensure everyone's well-being.

A safe and healthy work environment is essential for our emotional and physical well-being. We follow the rules outlined in ILO conventions. We have several policies in place, including a business conduct and ethics policy, a human rights and equal opportunity policy, and a global inclusion and diversity policy. While some of our centers have received ISO certification, we make sure that the standards of ISO certification are upheld in the non-certified centers as well. We are continually striving to add value to our stakeholders by advocating for their best interests and ensuing everyone's prosperity.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,887	2,887	100%	2,887	100%	0	0%	2,887	100%	2,887	100%
Female	1,284	1,284	100%	1,284	100%	1,284	100%	0	0	1,284	100%
Total	**4,171**	**4,171**	**100%**	**4,171**	**100%**	**1,284**	**31%**	**2,887**	**69%**	**4,171**	**100%**
Other than Permanent employees											
Male	4	4	100%	4	100%	0	0%	4	100%	4	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**4**	**4**	**100%**	**4**	**100%**	**0**	**0%**	**4**	**100%**	**4**	**100%**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	8,075	8,075	100%	8,075	100%	0	0%	8,075	100%	8,075	100%
Female	4,676	4,676	100%	4,676	100%	4,676	100%	0	0%	4,676	100%
Not Disclosed	11	11	100%	11	100%	-	-	-	-	11	100
Total	**12,762**	**12,762**	**100%**	**12,762**	**100%**	**4,676**	**37%**	**8,075**	**63%**	**12,751**	**100%**
Other than Permanent workers											
Male	1,317	1,317	100%	1,317	100%	0	0%	1,317	100%	1,317	100%
Female	948	948	100%	948	100%	948	100%	0	0%	948	100%
Total	**2,265**	**2,265**	**100%**	**2,265**	**100%**	**948**	**42%**	**1,317**	**58%**	**2,265**	**100%**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.22%	0.23%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year*		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	1%	42%	Yes	3%	55%	Yes
Others – please specify	NA	NA	NA	NA	NA	NA

Note: * Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, most (59.42%) of Firstsource's offices are accessible to differently abled employees and workers, as required by the Rights of Persons with Disabilities Act of 2016. Firstsource consistently strives to establish a work culture that fosters inclusivity and diversity.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Firstsource has a Human Rights and Equal Opportunity Policy, which can be referred to on Human Rights and Equal Opportunity Policy. Firstsource is committed to promoting equal opportunities in the organization. Firstsource value diversity, encourages fairness and justice, and advocates equal chances for everyone to work, learn and grow within the organization, free from any form of discrimination or victimization.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	88.43%	88.43%	85.86%	85.86%
Female	50%	76.32%	53.80%	79.75%
Total	**69.79%**	**82.55%**	**66.15%**	**82.10%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Firstsource has a Global Grievance Policy that applies to all the employees, communities, investors, shareholders, clients, vendors, and value chain partners of Firstsource Solutions Limited and its subsidiaries. Firstsource's employees can raise grievance through the Grievance Resolution System application ("FirstConnect") on the Firstsource intranet https://firstconnect.firstsource.com/firstconnect/GrievanceStatusQueue.aspx Firstsource's other stakeholders including employees/ex - employees have the option of writing to grs@firstsource.com. They can also submit grievance via Firstsource's website link https://www.firstsource.com/contact/ Upon receipt of the grievance, the convener forwards it to the appropriate point of contact depending on the nature of the complaint. If an aggrieved person is not satisfied with the resolution provided, they can escalate to whistle.blowing@firstsource.com

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees/ workers in the respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Total Permanent Employees	NIL	NIL	NA	NIL	NIL	NA
- Male	NIL	NIL	NA	NIL	NIL	NA
- Female	NIL	NIL	NA	NIL	NIL	NA
Total Permanent Workers	NIL	NIL	NA	NIL	NIL	NA
- Male	NIL	NIL	NA	NIL	NIL	NA
- Female	NIL	NIL	NA	NIL	NIL	NA

8. Details of training given to employees and workers:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year*				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,891	1,676	57.97%	1,400	48.43%	1,802	1,722	95.56%	1,381	76.64%
Female	1,284	740	57.63%	570	44.39%	638	601	94.20%	517	81.03%
Total	**4,175**	**2,416**	**57.87%**	**1,970**	**47.19%**	**2,440**	**2,323**	**95.20%**	**1,898**	**77.79%**
Workers										
Male	9392	7694	81.92%	2092	22.27%	6300	5325	84.52%	3129	49.67%
Female	5624	4544	80.80%	3557	63.25%	3655	3088	84.49%	1987	54.36%
Undisclosed	11	9	81.82%	-	-	-	-	-	-	-
Total	**15027**	**12247**	**81.50%**	**5649**	**37.59%**	**9955**	**8413**	**84.15%**	**5116**	**51.39%**

Note: * Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year*		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,887	2,887	100%	1,802	1,802	100%
Female	1,284	1,284	100%	638	638	100%
Total	**4,171**	**4,171**	**100%**	**2,440**	**2,440**	**100%**
Workers						
Male	8,075	8,075	100%	6,300	6,300	100%
Female	4,676	4,676	100%	3,655	3,655	100%
NA	11	11	100%	-	-	-
Total	**12,762**	**12,762**	**100%**	**9,955**	**9,955**	**100%**

Note: * Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.
Column A represents employees eligible for annual performance review and excludes employees who are not eligible.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?

Yes, Firstsource thinks that creating a safe and healthy work environment is not only critical for employees' well-being, but also necessary for a happy workplace. Two of Firstsource's centers are ISO 45001:2018-certified. Firstsource has a Global Quality, Occupational Health and Safety, Environment, and Energy (QOHSEE) Policy in place. It identifies the health and safety of Firstsource's employees, contractors, and visitors, customer satisfaction, environmental protection, and community development as integrated key drivers of Firstsource's business; the entire company is committed to achieving these goals in an open and transparent manner.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As part of Firstsource's organization, periodic assessments are conducted to identify risky and unsafe practices and to guarantee that appropriate controls are put in place to reduce and potentially eliminate hazardous risk. The internal audit team and an external certification body evaluate the Health and Safety Management System on a regular schedule.

The internal core audit team monitors and complies with the risks identified during internal and external certification, as well as the observations made during that process.

C Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

We promote a safe and risk-free workplace for our employees and workers by offering regular safety training. These trainings help identify workplace dangers and develop control mitigation strategies, establishing a strong health and safety management system. We provide routine fire safety training, emergency mock training, electrical safety training, and cross-functional training on cleanliness, security policies, and chemical safety. Additionally, we extend these trainings to our on-site suppliers, including housekeeping, security, and facilities personnel, who are vendor employees. We also have a website and portal known as FirstRequest, which includes a Facilities ticketing system for employees and workers to report work-related hazards. Additionally, Firstsource extend these trainings to its on-site suppliers, including housekeeping, security, and facilities personnel, who are vendor employees. Firstsource also has a website and portal known as FirstRequest, which includes a Facilities ticketing system for employees and workers to report work-related hazards.

D Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Firstsource recognizes its employees' overall physical and mental wellness directly proportionate to the corporate success. Firstsource takes a people-first approach, counselling, and teaching staff on physical, mental, and emotional wellness. Firstsource also provides full-time employees with life insurance, Mediclaim and personal accident cover benefits.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.05	0
	Workers	0.19	0.22
Total recordable work-related injuries	Employees	2	0
	Workers	7	5
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

Business Responsibility & Sustainability Report

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Firstsource understand that reaching our performance and growth goals depends critically on the general physical and mental well-being of its employees as well as their health and safety. The goal is to reduce sickness and injuries while providing secure working environments. As part of implementing ISO 45001: 2018 for workplace safety, risks and hazards are frequently identified and analyzed. Preventive measures for mitigation are then established in response. Regular electrical safety training, emergency exercises to be ready for anything, cross-functional training on chemical safety, security protocols, and hygiene are all provided to all Firstsource's employees. Regular fire safety training is also provided. Firstsource extends these trainings to our on-site suppliers, including housekeeping, security, and facilities personnel, who are vendor employees. In addition, Firstsource has conducted workshops on financial, physical, and emotional wellness. Prominent guests, along with Firstsource experts, delivered lectures on a variety of themes such as high-intensity interval training, mental health awareness, burnout and anxiety, stress management, self-care, and good food and nutrition.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	82	3	NA	30	0	NA
Health & Safety	45	2	NA	4	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the offices were assessed internally on health and safety practices and working conditions.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Firstsource maintains a robust system in place to ensure the ongoing safety of its operations. Firstsource has a daily mechanism where a safety officer in each of its sites reports all health and safety incidents and reports are reviewed by the senior management through the weekly governance. Any repeated occurrence of health and safety issues get reported in a grievance management tool by employees which is further reviewed by the top management and task is assigned to the respective team for closure.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, Firstsource offers compensatory package to employees and workers in the event of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Firstsource's statutory obligations are restricted to labour laws pertaining to PF payments, ESI, and minimum wage. Every payment made by Firstsource to third parties is tracked, and its value chain partners provide compliance certificates. Additionally, Firstsource is subject to a third-party agency's monthly evaluation of payment and compliance, and any variation from the norm is promptly addressed.

3. Provide the number of employees/workers having suffered high consequence work- related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	NA. There have been no instances of high consequence work-related injury/ill-health/fatalities in the mentioned period.		NA. There have been no instances of high consequence work-related injury/ill-health/fatalities in the mentioned period.	

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, Firstsource provide a dedicated program for transition support to assist in maintaining employability and managing career endings due to retirement or job termination. In India, severance pay in cases of redundancy aligns with the notice period employees are entitled to receive. The standard retirement age is set at 60 years. However, under exceptional circumstances and at the employee's request, management has the discretion to either grant early retirement without forfeiting benefits or extend the employment period as required. In Philippines, under the new Retirement Pay Law (RA 7641), all employees, regardless of their position or designation, are entitled to retirement pay equivalent to half a month's salary for each year of service, amounting to 22.5 days for every year served.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed*
Health and safety practices	75%
Working Conditions	75%

*Includes the global percentage

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

In the assessment done, Firstsource found no health, safety and working condition concerns. In case there is an issue identified, based on the severity, the actions will be taken, which can go as harsh as black listing the supplier from Firstsource's vendor database.

PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders

Firstsource recognizes that its operations have wide-ranging impacts not only on shareholders but also on employees, clients, suppliers, communities, and the environment. Firstsource emphasizes its commitment to engaging with stakeholders in a transparent and meaningful manner. This involves actively listening to feedback, addressing concerns, and integrating stakeholder perspectives into decision-making processes. By fostering open dialogue and collaboration, Firstsource endeavors to build trust and strengthen relationships with its diverse stakeholder groups.

Firstsource demonstrates its dedication to operating as a responsible corporate citizen, prioritizing the long-term interests of all stakeholders over short-term gains.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Firstsource is aware that building trusting relationships is essential to the Company's long-term survival and success. Firstsource cultivates synchronistic connections with internal and external stakeholders and recognizes the need of maintaining open channels of communication for collaboration and ideas.

Firstsource has established a structured internal process for identifying its internal and external stakeholders. Firstsource's internal team evaluates the business impact of each stakeholder on its business activities. Firstsource fosters a synchronistic relationship with both internal and external stakeholders and understand the value of keeping open channels of communication for suggestions and teamwork, which has been implemented a thorough stakeholder engagement process in which important stakeholder groups are identified from a greater pool of all potential stakeholders. This is done after taking into consideration the significant impact that each group has on the Company's capacity to generate value (and vice versa). Firstsource has identified internal and external stakeholder groups, including Employees, Customers, shareholders/ Investors, Suppliers/Vendors, and Community/NGO. This results in the prioritization of essential stakeholders depending on their level of responsibility, dependence, and influence over Firstsource's business, and vice versa.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/half-yearly/quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Employee satisfaction surveys • Face-to-face meetings • Engagement sessions • HR sessions • Rewards and recognition • Team building workshops • Employee newsletters	On a regular basis	• Employees growth and benefits • Compensation structure • Career growth opportunities • Professional development • Continuing education • Skill development
Customers	No	• Customer engagement surveys • Quality Business Review	On a regular basis	• Customer requirements • Customer satisfaction and feedback • Project delivery • Timeline • Challenges
Suppliers and Vendors	Yes (Partially) - Only some of the Admin suppliers	• Channel partner meetings • One-to-one meetings • Regular operational reviews	On a regular basis	• Regulatory compliance requirements • Supply schedule • Vendor needs and expectations • Need for sustainability awareness and trainings • Sustainability performance
Shareholders/investors	No	• Annual general shareholders meeting • Financial information release • Media release • Investor calls and meetings	On a regular basis	• Financial performance • Understanding their needs/ expectations which is material to Firstsource • ESG performance
Community/NGO	Yes	• Project meetings • Community interactions with NGOs • Grievance mechanisms	On a regular basis	• Community expectations and feedback on impact/success of CSR project • Engagement scope for CSR projects

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Firstsource utilizes a comprehensive four-step methodology to engage for ESG topics, encompassing material issue identification, survey organization, scoring/ranking, and mapping. Through consistent communication with both internal and external stakeholders, Firstsource gain valuable insights into how its business activities impact them, enabling us to effectively address their concerns.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, in order to identify significant challenges, Firstsource has conducted a materiality assessment in FY 2021-22 involving all key stakeholders, including employees, customers, shareholders/investors, suppliers/vendors, and community/NGOs. Stakeholders were provided with a "Materiality Survey questionnaire" to facilitate this evaluation, with ESG-related material components sourced from international standards such as the GRI standards 2021.

Utilizing a scale ranging from "No Opinion" to "Extremely High," Firstsource assessed various elements based on the importance of each stakeholder group to Firstsource's business, assigning weights accordingly. Over 40 sustainability concerns were scrutinized for strategic consideration, aligning the viewpoints of diverse stakeholders and business perspectives into eight major themes: ethical governance, empowering workplace, customer centricity, economic performance, environment and climate action, sustainable economic growth, community impact, and responsible supply chain.

During FY 2021-22, Firstsource completed our first comprehensive materiality assessment, including internal and external stakeholders. This assessment assisted us in identifying material issues and developing our ESG strategy accordingly. Firstsource selected 40+ topics for evaluation based on a review of material topics recognized by peer groups and prevalent standards (GRI, MSCI, SASB). These were then rationalized to 24 for prioritization and divided into eight main strategy-building themes. The leadership was proactively involved in the prioritization and strategy-building phases. In FY23, despite minimal changes in the business model and operating environment, Firstsource reviewed the material topics through relevant functions and leadership, confirming that no alterations were necessary. Firstsource has initiated the alignment with double materiality principles and has integrated its materiality framework into Firstsource enterprise risk management (ERM) process.

In FY 2023-24 Firstsource has conducted the materiality assessment considering the double materiality principles and has integrated its materiality framework into Firstsource enterprise risk management (ERM) process. This move will enable Firstsource to comply with upcoming regulations and enhance its ability to conduct a structured impact assessment of the Company's operations on society and the environment. By embedding these principles into its ERM process, Firstsource position itself to understand better and address the broader impacts of its activites, ensuring a more sustainable and responsible approach to its business practices. This proactive alignment underscores its commitment to comprehensive risk management..

Firstsource started with the 24 topics it prioritized for assessment in the previous two years and rationalized them to 10 broad topics. Firstsource excluded topics like business ethics and integrity, ESG governance setup, economic performance, and protecting human rights as they were either foundational for any business and/or are matured (for example, ESG governance setup). Firstsource removed topics like waste and water management as material topics. Given the nature of operations, our footprint in these areas is insignificant, and its adherence to the regional rules on managing water and waste covers the required actions. Nevertheless, Firstsource remain committed to reducing its footprint through various initiatives and continue to report on these in its annual/ESG reports.

Firstsource introduced decarbonization and energy management as a specific topic in alignment with the industry trend and the sustainability maturity pathway that Firstsource is already adopting as a part of its climate strategy.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Firstsource prioritizes the inclusion of vulnerable and marginalized groups, such as rural women, students from economically disadvantaged backgrounds, unemployed youth, patients from under-represented communities, individuals with disabilities, and children with special needs, when selecting beneficiaries for any CSR projects. Firstsource's CSR team and employee volunteers work closely with the communities to understand their social problem and come out with feasible solutions to address them. Firstsource regularly connect with its on-ground volunteers to gather any feedback or grievance received from the communities

Furthermore, all Firstsource's stakeholders including communities have the option of writing to grs@firstsource.com in case of any grievance. They can also submit grievance via Firstsource's website link https://www.firstsource.com/contact/

PRINCIPLE 5 - Businesses should respect and promote human rights

Firstsource is unwavering in its commitment to upholding the human rights of all individuals, ensuring that no violations occur within its business operations. Firstsource's publicly available Human Rights and Equal Opportunity policy explicitly prohibits any infringement of human rights. Embracing human diversity, Firstsource foster an environment of fairness, justice, and equal opportunities for all, fostering a workplace where individuals can work, learn, and thrive without facing discrimination or victimization.

Aligned with the principles outlined in International Labor Organization (ILO) conventions, Firstsource ensures that the guidelines set forth in these policies are effectively communicated to all stakeholders involved in daily operations. Additionally, stringent supplier assessments are conducted to eradicate human rights violations within the supply chain.

Furthermore, all employees and workers undergo comprehensive training on the Code of Conduct, Human Rights and Equal Opportunity policy, and Prevention of Sexual Harassment (POSH) Policy, promoting responsible behavior and reinforcing the Company's commitment to upholding human rights standards.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Permanent	4,171	3,741	90%	2,440	2,180	89%
Other than permanent	4	4	100%	127	53	42%
Total Employees	**4,175**	**3,745**	**90%**	**2,567**	**2,233**	**87%**
Workers						
Permanent	12,762	11,920	93%	9,955	7,481	75%
Other than permanent	2,265	1,941	86%	0	0	0%
Total Workers	**15,027**	**13,861**	**92%**	**9,955**	**7,481**	**75%**

Note: 11 Permanent workers have not disclosed gender.

Note: * Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	4,171	NA	NA	4,171	100%	2,440	NA	NA	2,440	100%
Male	2,887	NA	NA	2,887	100%	1,802	NA	NA	1,802	100%
Female	1,284	NA	NA	1,284	100%	638	NA	NA	638	100%
Other than Permanent	4	NA	NA	4	100%	127	NA	NA	127	100%
Male	4	NA	NA	4	100%	56	NA	NA	56	100%
Female	0	NA	NA	0	100%	71	NA	NA	71	100%
Total employee	**4,175**	**NA**	**NA**	**4,175**	**100%**	**2,567**	**NA**	**NA**	**2,567**	**100%**
Workers										
Permanent	12,762	1,055	8.3%	11,707	92%	9,955	99	1%	9,856	99%
Male	8,075	673	8.3%	7,402	92%	6,300	95	2%	6,205	98%
Female	4,676	382	8.2%	4,294	92%	3,655	4	0.1%	3,651	99.9%
Undisclosed	11	-	-	11	100%	-	-	-	-	-
Other than Permanent	2,265	NA	NA	2,265	100%	0	NA	NA	NA	NA
Male	1,317	NA	NA	1,317	100%	0	NA	NA	NA	NA
Female	948	NA	NA	948	100%	0	NA	NA	NA	NA
Total workers	**15,027**	**NA**	**NA**	**13,972**	**93%**	**9,955**	**99**	**1%**	**9,856**	**99%**

Note: 11 Permanent workers have not disclosed gender.

Note: * Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.

3. Details of remuneration/salary/wages

a) Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	9	6,50,000	2	4,00,000
Key Managerial Personnel	2	1,51,18,634	1	44,78,406
Employees other than BoD and KMP	2886	6,67,326	1283	6,75,480
Workers	8075	3,01,128	4,676	3,00,000

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	31.9%	30.6%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Firstsource has an established Whistle-blower committee, Grievance Redressal committee and Prevention of Sexual Harassment (POSH) committee to address human rights-related grievances.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Firstsource upholds the values expressed in the United Nations Global Compact (UNGC) and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as international human rights standards. Firstsource has policies in place for human rights, POSH, equal opportunity, diversity and inclusion, whistle-blower, and human trafficking and slavery.

Firstsource offers a human rights grievance portal at https://www.firstsource.com/contact/ enabling all relevant stakeholders to voice their concerns. Further, Firstsource has also defined grievance mechanism in the Human Rights and Equal Opportunity Policy. Please refer the policy for more details: Click here. Employees can also report any sexual harassment at workplace to the central POSH committee and the local POSH committee.

Every complaint is thoroughly investigated, and the relevant steps are taken to address the issue or complaint. Serious breaches by employees will be considered gross misconduct and may lead to their summary dismissal.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	24	8	The open cases are under investigation and within the prescribed turnaround time	14	5	The open cases are under investigation and within the prescribed turnaround time
Discrimination at workplace	Nil	Nil	NA	NIL	NIL	NA
Child Labor	Nil	Nil	NA	NIL	NIL	NA
Forced Labor/Involuntary Labor	Nil	Nil	NA	NIL	NIL	NA
Wages	3	Nil	NA	1	NIL	NA
Other human rights related issues	Nil	Nil	NA	NIL	NIL	NA

Note: * Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	24	18
Complaints on POSH as a % of female employees/workers	0.35%	0.37%
Complaints on POSH upheld	21	15

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Firstsource is dedicated to cultivating a workplace environment that is devoid of any form of discrimination and sexual harassment. Firstsource has established Whistle-blower Policy and Prevention of Sexual Harassment (POSH) Policy, ensuring that all employees can report instances of discrimination and harassment without fear of reprisal. Every concern regarding discrimination and harassment is handled with the utmost confidentiality.

In compliance with Chapter IV, Section 19 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, as well as Firstsource's Whistle-blower policy and Employee Code of Conduct, Firstsource provides comprehensive awareness training to all its employees.

The link to the policy addressing grievance and redressal mechanism: Click here

Diversity & Equal Opportunity Policy: Click here

Prevention of Sexual Harassment: Click here

Whistle-blower Policy: Click here

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Firstsource shares and discuss its human rights policy with each and every one of its business partners. Aspects of human rights are also covered by the Sustainable Supply Chain Policy and the Supplier Code of Conduct. All business partners are required by the business agreements to ensure adherence to these guidelines.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.:

Not applicable, as Firstsource has not come across any significant concerns from assessments conducted at its offices.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

Firstsource ensures that the existing policies on human rights, POSH, and grievance redressal are applied consistently throughout all of the offices. On its website, Firstsource has created a new portal where any stakeholders can file complaints, which will be suitably looked into as soon as possible. Every employee must participate in the POSH/ grievance redressal process training and awareness programmes. Wherever Firstsource observes an increase in harassment complaints, targeted sensitization sessions are conducted. Vendors must create and implement a human rights policy in accordance with their contractual obligations and adhere to the POSH Act as part of the onboarding process.

Firstsource has a Global Grievance redressal policy which describes the process through which employees can bring into notice their problems. The employees can choose to share their grievance by approaching their immediate supervisor or concerned POC/department. The employee can also raise the grievance through the Grievance Redressal System application ("FirstConnect") at https://firstconnect.firstsource.com/firstConnect/GRSLogin.aspx or by writing to HYPERLINK "mailto:grs@firstsource.com" grs@firstsource.com.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Firstsource has not carried out any due diligence related to human rights in FY 2023-24.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

As required by the Rights of Persons with Disabilities Act, 2016, the majority (59.42%) of Firstsource's offices are accessible to workers and employees with disabilities. In the future, Firstsource intends to have all of its operations fully accessible to individuals with disabilities. Firstsource is committed to creating a diverse and inclusive work environment.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed*
Sexual harassment	75%
Discrimination at workplace	
Child labour	
Forced Labor/Involuntary Labor	
Wages	
Others – please specify	

*Includes the global percentage

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable, as Firstsource has not come across any significant concerns from assessments of its value chain partners.

PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

Firstsource consistently strives to conduct business in a manner that has a greater positive influence on the environment and society. Firstsource's ESG policy serves as inspiration for its commitment to conducting business in a sustainable manner while minimizing negative impact.

The policy's approach stresses responsible resource management and emphasizes important areas such as water stewardship, energy efficiency, responsible waste management, and emission reduction strategies. Global Quality Health, Safety, Environment & Energy Management Policy, and ESG policy are available to the public on our website. Additionally, while some of Firstsource's centers have received ISO 14001:2015 certification, Firstsource make sure that the standards of ISO 14001:2015 certification are upheld in the non-certified centers as well.

Note: * All Essential Indicators under PRINCIPLE 6 Last year's FY 2022-23 data included only India, while this FY 2023-24 data includes both India and Philippines.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	8,585	11,271
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources €	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	**8,585**	**11,271**

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Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From non-renewable sources		
Total electricity consumption (D)	55,063	46,194
Total fuel consumption €	403	319
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	**55,466**	**46,513**
Total energy consumed. (A+B+C+D+E+F)	**64,051**	**57,784**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.00000040	0.00000042
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (Requirement of BRSR Core)	0.19085	0.20039
Energy intensity in terms of physical output	3.333	4.614
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Firstsource has closed two of its centers which had a higher mix of renewable energy. However, Firstsource has converted a building to 100% RE towards the last quarter of the year.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not applicable. No sites or facilities under Firstsource have been designated as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	168,724.2	106,587
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**168,724.2**	**106,587**
Total volume of water consumption (in kilolitres)	**10,123.45**	**6,395.26**
Water intensity per rupee of Turnover (Total water consumption/Revenue from operations)	0.63	0.0000047
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.0276	0.0221
Water intensity in terms of physical output	0.527	0.510
Water intensity (optional) – the relevant metric may be selected by the entity	--	--

The water withdrawal calculation is based on per capita usage of 50 liters per person. The water discharge is estimated at 47 liters per person, with 3 liters accounted for as consumption.

*Water consumption has escalated owing to an increase in the headcount during FY 2023-24.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	100,192*
- No treatment	5,335.111	100,192*
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**5,335.111**	**100,192***

*Note- Firstsource has 11 STP in its centers through which 153265.6 kl of water is getting recycled and used for gardening purpose.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   All Firstsource's facilities are leased properties. Firstsource keeps track of its water usage and have established procedures for recycling water throughout all the facilities. Some of Firstsource's facility have STPs.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Tons	74.51	59.04
Sox	Tons	113.32	89.80
Particulate matter (PM)	Tons	15.21	12.05
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please Specify	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric Tons of CO_2 equivalent	Total 109.91 tCO_2e Absolute (GHG wise) CO2: 108.61 tCO_2e CH4: 0.12 tCO_2e N2O: 1.18 tCO_2e	Total 2,014.25 t CO_2e* Absolute (GHG wise) CO_2: 21.23 t CO_2e CH_4: 0.02 t CO_2e N_2O: 0.25 t CO_2e
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric Tons of CO_2 equivalent	Total 12,642.8 tCO_2e Absolute (GHG wise) CO_2 12,499.55 tCO_2e CH4: 52.81 tCO_2e N2O: 90.43 tCO_2e	Total 11,546.3 tCO_2e Absolute (GHG wise) CO_2: 11,416.74 tCO_2e CH_4: 47.77 tCO_2e N_2O: 81.80 tCO_2e
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric Tons of CO_2 equivalent	0.79	0.86
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	-	0.0348	0.0367
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	0.664	0.923
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*Note - Updated scope 1 emission calculations for FY 2022-23 to cover all the offices within our reporting boundary. Therefore, emissions have been changed from 21.49 t CO_2e to 2014.25 t .CO_2e

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Firstsource is actively looking to contribute towards climate change solutions by adopting strategic measures and controls to minimize its impact. Although the environmental impacts of Firstsource's operations are relatively small, Firstsource constantly look for ways to innovate and reduce carbon footprint across the business.

Some of the key initiatives Firstsource adopted for reducing its carbon footprint as follows:

Firstsource's office paper consumption is extremely minimal; however, Firstsource has partnered with Rescript in an effort to further reduce its carbon footprint. Rescript is a sustainable stationery provider, who makes all their products using discarded paper as their raw material. By doing this, they are eliminating the need to cut trees to make paper and are actively contributing to four of the Sustainable Development Goals of the United Nations. For making 1 ton of paper (approximately 430 reams of paper with 500 A4 sheets each), Rescript recycled paper uses less than 40,000 liters of water as compared to 80,000 liters used by normal wood pulp paper. The emissions released are also significantly lower (1,450 kgs compared with 2,500 kgs for normal paper), and the absence of any bleaching chemicals during manufacturing also makes discharged water pollution-free and reusable. The recycled paper is 100% Forest Stewardship Council (FSC) certified.

Firstsource has partnered with Padcare Labs, who provide eco-friendly disposal and recycling of sanitary pads. Under their menstrual hygiene management (MHM) process, they take care of recycling used sanitary napkins, from collection to processing. Sanitary pads are collected from all locations and brought to a material recovery facility (MRF) which, in 20 minutes, recovers close to 99 percent of the material at low cost, separating it into pulp and plastic. This pulp can be used across various industries such as paper, packaging etc. Partnership with Padcare has led to savings of 323 kgCO2e GHG emissions.

Additionally, to reduce its carbon footprint, Firstsource has transitioned to energy efficient technology within Firstsource's offices. Some key initiative includes energy efficient data centers, refurbished IT systems, sensor based low energy LED lighting, transition to electric vehicles (EVs) and use of renewable energy certificates. Firstsource has also installed smartracks in Firstsource's largest data center to minimize power requirement.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste **(A)**	0.31	0.2
E-waste **(B)**	22.96	65.363
Bio-medical waste **(C)**	0.01503	0.00261
Construction and demolition waste **(D)**	956.006	520
Battery waste **(E)**	0	6.2
Radioactive waste **(F)**	Nil	Nil
Other Hazardous waste. Please specify, if any. **(G)**	Nil	Nil
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	**148.369**	Nil
Total (A+B + C + D + E + F + G + H)	**1,127.66003**	**591.76**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.07042	0.0004301
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.003077	0.00205
Waste intensity in terms of physical output	0.05873	0.0471
Waste intensity (optional) – the relevant metric may be selected by the entity	-	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	22.96	71.563
(ii) Re-used	Nil	NIL
(iii) Other recovery operations	Nil	NIL
Total	**22.96**	**71.563**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)	-	-
Category of waste		
(i) Incineration	Nil	0.00261
(ii) Landfilling	Nil	520
(iii) Other disposal operations	0	0.2
Total	**0**	**520.20261**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No assurance obtained on non-financial indicators in FY 2023-24.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

While some of Firstsource centers have received ISO 14001:2015 certification, Firstsource make sure that the standards of ISO 14001:2015 certification are upheld in the non-certified centers as well. Under the environmental management system, comprehensive waste management procedures are established and implemented. As a responsible organization Firstsource has fully integrated the principles of the circular economy into its daily business operations. Through proactive measures Firstsource has successfully reduced the amount of waste generated within its offices.

Additionally, Firstsource actively encourage the reuse of recyclable materials in line with circular strategies. Firstsource's commitment to material optimization and waste minimization is evident throughout its operational processes. By embracing these practices, Firstsource contributes to a more sustainable future while maximizing the value derived from resources. At Firstsource's organization it strongly believes in maximizing resource utilization and minimizing waste generation by fully utilizing the products it uses. To achieve this, Firstsource proactively follows the 5R concept: Refuse, Reduce, Reuse, Repurpose and Recycle.

Firstsource is implementing a zero waste to landfill policy globally. Within its offices, it meticulously segregate waste into predefined categories. Additionally, Firstsource actively encourages the reuse of recyclable materials in line with circular strategies. Firstsource's commitment to material optimization and waste minimization is evident throughout its operational processes. By embracing these practices, Firstsource contribute to a more sustainable future while maximizing the value derived from resources. At Firstsource's organization it strongly believe in maximizing resource utilization and minimizing waste generation by fully utilizing the products Firstsource use. To achieve this, Firstsource proactively follow the 5R concept: Refuse, Reduce, Reuse, Repurpose and Recycle. 100% waste disposed to responsible waste handler in FY 2023-24 for this as a business Firstsource resell the e-waste which plays a crucial role in minimizing environmental impact by extending the lifecycle of electronic devices. The business has taken a conscious call to sell their outdated or unused electronics instead of discarding them, they contribute to a circular economy where resources are reused rather than wasted. This practice not only reduces the amount of e-waste that ends up in landfills but also lessens the demand for new raw materials, thereby decreasing the environmental footprint associated with the manufacturing process.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance is being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable. Firstsource is a technology-based company and do not have operations in or around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Not applicable as no such projects have been undertaken by the entity.					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non- compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, Firstsource is fully compliant with all applicable Indian environmental laws/regulations/guidelines.				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area: Mumbai, Hyderabad, Makati, Indore

(ii) Nature of operations: BPS

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	91,420.65	61,132
(iv) Seawater/desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	**91,420.65**	**61,132**
Total volume of water consumption (in kilolitres)	**5,485.239**	**6,395**
Water intensity per rupee of turnover (Water consumed/turnover)	0.342	0.00000026
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		100,192
- No treatment	1,871.73	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	**1,871.73**	**100,192**

Note- Firstsource has STPs in most of the centers that are in water stressed areas. Through these STPs 84063.68 kl of water is getting recycled and used for gardening purpose.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tons of CO_2 equivalent	Total 19, 933 t CO_2e Absolute (GHG wise) CO_2: 4,456 tCO_2e CH_4: 1.90 tCO_2e N2O: 28.96 tCO_2e\	Total 13,844.18 tCO_2e Absolute (GHG wise) CO2: 2782.38 tCO_2e CH_4: 1.14 tCO_2e N_2O: 20.54 tCO_2e
Total Scope 3 emissions per rupee of turnover	tCO_2e/INR	1.24	1.01
Total Scope 3 emission intensity (optional) – the relevant metric may by selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assurance obtained on non-financial indicators in FY 2023-24.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not applicable. Firstsource does not conduct business in environmentally sensitive locations.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
In India, Firstsource has partnered with Rescript, a sustainable stationery provider, who makes all their products using discarded paper as their raw material. By doing this, they are eliminating the need to cut trees to make paper and are actively contributing to four of the Sustainable Development Goals of the United Nations. For making 1 ton of paper (approximately 430 reams of paper with 500 A4 sheets each), Rescript recycled paper uses less than 40,000 liters of water as compared to 80,000 liters used by normal wood pulp paper. The emissions released are also significantly lower (1450 kgs compared with 2500 kgs for normal paper), and the absence of any bleaching chemicals during manufacturing also makes discharged water pollution-free and reusable. The recycled paper is 100% Forest Stewardship Council (FSC) certified.			
Firstsource has partnered with Padcare Labs, who provide eco-friendly disposal and recycling of sanitary pads. Under their menstrual hygiene management (MHM) process, they take care of recycling used sanitary napkins, from collection to processing. Sanitary pads are collected from all locations and brought to a material recovery facility (MRF) which, in 20 minutes, recovers close to 99 percent of the material at low cost, separating it into pulp and plastic. This pulp can be used across various industries such as paper, packaging etc. Partnership with Padcare has led to savings of 323 $kgCO_2e$ GHG emissions.			
Firstsource has partnered with AirOWater in India which utilizes technology to extract drinking water from the humidity present in the air. Firstsource stores the water in glass bottles which aligns with its efforts to reduce single-use plastic within its office premises.			
Firstsource has introduced the 5R framework- Refuse, Reduce, Reuse, Repurpose, and Recycle for the products or components it uses in their operation.			
As a technology company Firstsource generates electronic waste (e-waste) such as laptops, printers, scanners, batteries, air conditioners and other electronic hardware. Firstsource diligently monitor and manage its e-waste ensuring that it undergoes proper recycling, repair, or repurpose through approved vendors at the end of its life cycle. All waste generated within Firstsource's premises is segregated into individual waste streams and disposed of according to local legislation requirements.			

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.**

   Firstsource has a policy for business continuity management (BCM) system that enables us to provide clients with the best service in the event of an interruption to business operations. To detect any risks to business continuity, Firstsource uses the PDCA (Plan, Do, Check, Act) approach. The BCM architecture conforms to the ISO 22301: 2019 standard framework. Firstsource conducts both internal and external audits on a regular basis in order to spot possible risks and implement efficient measures to mitigate them. In the event of a disruption, the "Crisis Management Steering Committee" at each data centre acts as the first point of contact for resolving the problem.

   Detailed "Business continuity management Policy" to be assessed through following link: Click here

   Additionally, Firstsource has conducted a comprehensive scientific assessment in FY 2022-23 to identify specific climate risks within its value chain and operations. Firstsource's findings highlight potential physical risks, including infrastructure damage from cyclones and strong winds, as well as increased rainfall and flooding that could impact employee safety and commuting. To address these risks, Firstsource is implementing robust Business Continuity Plans (BCPs) designed to ensure operational resilience. These BCPs are tailored to mitigate the impact of these climate risks, safeguarding Firstsource's infrastructure and ensuring the safety and well-being of its employees while maintaining uninterrupted service delivery.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No significant adverse impact to the environment is reported from value chain partners. The Code of Conduct is extended to value chain partners which covers the need for compliance with environmental regulations and environmental conservation. All new value chain partners are required to sign the code as part of the empanelment process. We have established a process to evaluate the top 20 critical value chain partners/vendors (includes data on consolidated basis) based on the business value through a third party who annually assesses them on environmental, social and governance performance.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Firstsource recognizes that its value chain partners are independent entities; however, their business practices and actions may impact on or reflect on its business.

   In view of this, Firstsource evaluated the top 20 critical vendors based on the business value that accounts for 75% of the total procurement spend (includes global data). The evaluation is done through a third party who annually assesses health and safety practices, environment, human rights, sexual harassment, child labour, forced labour/involuntary labour and working conditions of value chain partners.

PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Firstsource actively participates in forums to voice concerns, share efforts, and promote policies and programmes that aim to protect the interests of all stakeholders and communities. Firstsource is a member of multiple trade associations and industry associations. Working with numerous trade and industry associations, and other comparable platforms, Firstsource demonstrates comprehensive support for moral corporate practices, sustainability, social stability, and respect for human rights. There are components of ethical behaviour on public platforms in Firstsource's code of conduct.

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/associations.

Firstsource is a member of 11 trade and industry chambers/associations.

b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Credit Services Association (CSA)	UK
2	National Association of Software and Service Companies (NASSCOM)	National
3	Hyderabad Software Enterprises Association (HYSEA)	National
4	ACA – American Collectors Association	International
5	Mortgage Banking Associations (MBA)	National (USA)
6	Structured Finance Association	National (Canada)
7	American Land Title Association	National (USA)
8	California Mortgage Bankers Association	State
9	Florida Land Title Association	State
10	Florida Mortgage Bankers Association	State
11	Healthcare Financial Management Association (HFMA) Regional Chapters'	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

Firstsource is dedicated to fulfilling its civic and social responsibilities by taking part in socio-economic initiatives that benefit the underprivileged. Firstsource aims to responsibly use its position and resources to raise the standard of living for underprivileged communities and societal groupings. Firstsource's corporate social responsibility policy conforms to the 2013 Companies Act.

Firstsource CSR Vision: To be a preeminent, socially conscious organization that improves lives by giving people access to healthcare, education, opportunity for skill development, and livelihoods to guarantee equitable growth for all.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
A third-party social impact assessment was conducted, covering key CSR projects implemented during financial year 2022-23 across thematic areas of environment, healthcare, empowerment and gender equality. Projects across geographical locations were evaluated on key parameters of efficiency, effectiveness and stakeholder participation.	NA	April 12, 2024	Yes	Yes	Click here

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable. Firstsource has not undertaken any projects for which rehabilitation and resettlement is being undertaken							

3. Describe the mechanisms to receive and redress grievances of the community.

Firstsource has a grievance redressal policy, which includes its diverse stakeholders, including communities, who can file complaints by emailing grs@firstsource.com or visiting Firstsource's website at https://www.firstsource.com/contact/

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/small producers	61%	16%
Directly from within India	97%	97.40%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	-	-
Semi-urban	1.80%	2.21%
Urban	0.60%	0.94%
Metropolitan	97.6%	96.85%

(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative social impact was identified	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1	Osmanabad	Maharashtra	0.90 million

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

Yes. Firstsource has a preferential procurement policy under Sustainable Supply Chain policy. Link to sustainable supply chain policy: Click here

Firstsource's vision is to institutionalize supplier diversity in all contracting and procurement initiatives within the organization to promote, increase, and improve the participation of minority-owned, woman-owned, disadvantaged-owned, LGBTQIA+ owned, veteran-owned, HUBZone and small businesses suppliers.

b) From which marginalized/vulnerable groups do you procure?

To promote local economic growth, Firstsource provides preference to local vendors such as minority-owned, woman-owned and disadvantaged-owned businesses in India.

c) What percentage of total procurement (by value) does it constitute?

Procurement from marginalized/vulnerable groups constitutes 68% of total procurement.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Projects	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Women Artisans program to empower rural women in Madhya Pradesh	176	100%
2	Dignity For Work to support rural community from Maharashtra	3,054	100%
3	Digital Classroom Support for students from Govt. schools, Maharashtra	204	100%
4	FSP (Firstsource Scholarship Program) to support scholars across pan India	12	100%
5	Employment Van to empower underprivileged youth of Telangana	1,565	100%
6	Medical Camps to support rural Communities of Telangana & Andhra Pradesh	3,372	100%
7	Providing Ramps at Public Places to provide hassle-free accessibility for Persons with Disabilities	2,000	100%
8	Empowering students from disadvantaged communities by providing education through Arts to bring out their skills	1,134	100%

Business Responsibility & Sustainability Report

Sr. No.	CSR Projects	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
9	Support 15 hearing impaired people with providing the hearing aid which will help them to be independent	15	100%
10	Supporting visually challenged students on their education	3	100%
11	Cataract Surgery to support underprivileged community in Maharashtra	100	100%
12	Cataract Surgery and insulin to support underprivileged community in Tamil Nadu	77	100%

PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner

Firstsource is committed to continuous innovation and improving the user experience, with client and customer input being especially important. Firstsource prioritizes client feedback and incorporate it effortlessly into its ongoing efforts to strengthen its position and increase customer satisfaction with its services.

Firstsource is certified in compliance with top international standards including PCI DSS, ISO 27001:2013, and HITRUST. Firstsource also follow several legislative and regulatory compliance standards to assure the confidentiality, integrity, and availability of data provided to each of Firstsource's clients.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Firstsource prioritizes addressing client concerns at all levels of interaction. Firstsource has built effective mechanisms for receiving and resolving client complaints. Firstsource is committed to handling grievances in accordance with applicable laws and internal procedures. Customers can file their grievances at grs@firstsource.com Grievances will be closed according to a turnaround time (TAT), which may vary depending on the severity and complexity of the issue. Firstsource aim to handle complaints within fifteen (15) working days of receipt, unless an extension is requested owing to complexity, in which case an extra 15 days may be allowed. The designated convener diligently tracks and reports on all cases until they are closed.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable. Firstsource is a Business Process Services (BPS) company and do not manufacture any products
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Received during the year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	No cases of Data privacy in India
Advertising	NA	NA		NA	NA	
Cyber-security	0	0		0	0	No complaints received
Delivery of essential services	0	0		0	0	No complaints received
Restrictive Trade Practices	0	0		0	0	No complaints received
Unfair Trade Practices	0	0		0	0	No complaints received
Other	0	0		0	0	No complaints received

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not applicable. Firstsource is a Business Process Services (BPS) company and do not manufacture any products.	
Forced recalls		

5 Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Firstsource is committed towards protecting the data of customers and all of its employees. Firstsource maintains a dedicated policy governing the collection of personal data from employees, clients, and vendors. This policy applies to all employees of Firstsource and its subsidiaries and joint ventures where it holds a controlling interest, as well as to business partners processing personal data on behalf of Firstsource.

Firstsource's commitment entails ensuring that personal data collection adheres to policy guidelines, processed lawfully and transparently, with consent sought prior to collection. Any violation of the policy is taken very seriously and may lead to disciplinary action.

Additionally, individuals have the option to withdraw consent by contacting dataprivacy@firstsource.com

Link to the Global Cyber Security policy: Click here

Link to Global Corporate Privacy policy: Click here

Link to Global Website Privacy policy: Click here

Link to data privacy policy: Click here

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services. Nil

7 Provide the following information relating to data breaches:

a) Number of instances of data breaches: Nil

b) Percentage of data breaches involving personally identifiable information of customers: Nil

c) Impact, if any, of the data breaches: Nil

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).

All information about Firstsource's services is available on the Company's website. Click here

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable because Firstsource does not provide products or services that are intended for safe and responsible use.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Firstsource recognizes the importance of providing uninterrupted services to its clients/customers. To ensure this, Firstsource has implemented many procedures. Firstsource's Business Continuity Planning and Disaster Recovery solutions have been created in compliance with industry standards ISO 27001 and 22301, which are aligned with the Business Continuity Management System.

The BCMS policy can be found here: BCMS policy

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable because Firstsource does not manufacture products.

Independent Auditor's Report

To the Members of FIRSTSOURCE SOLUTIONS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Firstsource Solutions Limited (the "Company") and its subsidiaries, (the Company and its subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements')

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act (''Ind AS''), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates 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 statements under the provisions of the Act and the Rules made 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 on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue recognition and measurement in respect of un-invoiced amounts** (Refer Note 9 of the Consolidated Financial Statements) The Group, in its contracts with customers, promises to transfer distinct services ("performance obligations") to its customers which may be rendered in the form of customer management, transaction processing (including revenue cycle management in the healthcare industry) and debt collection services. Revenue is recognised based on the pattern of benefits from the performance obligations to the customer in an amount that reflects the consideration received or expected to be received in exchange for the services ("transaction price"). The agreed contractual terms for service deliveries that are based on unit-of-work, time and material or a specified contingency (such as recovery of dues or disbursement of loans) adjusted for rebates, volume discounts, incentives or penalties ("variable consideration"). At each reporting date, revenue is accrued for work performed that may not have been invoiced. Identifying whether the Group's performance has resulted in a billable service that is collectable where the service deliveries have not been acknowledged by customers as of the reporting date involves a fair amount of judgment.	**Principal audit procedures performed included the following:** a) We gained an understanding of the Group's processes in collating the evidence supporting delivery of services for each disaggregated type of revenue. We also obtained an understanding of the design of key controls for quantifying units of services that would be invoiced and the application of appropriate prices for each of such services. b) We tested the design and operating effectiveness of management's key controls in collating the units of services delivered and in the application of accurate prices for each of such services for a sample of the un-invoiced revenue entries, which included testing of access and change management controls exercised in respect of related accounting information system. c) We have tested a sample of un-invoiced revenue entries with reference to the manual records used for tracking inputs relating to the services delivered to confirm the units of services delivered and contractual rates for the application of appropriate price for each of services. We also tested the adjustments on account of volume discounts and committed service levels of performance. With regard to incentives, our tests were focused to ensure that accruals were restricted to only those items where contingencies were minimal.

Sr. No.	Key Audit Matter	Auditor's Response
	Recognition of revenue before acknowledgment of receipt of services by customer could lead to an over or understatement of revenue and profit, whether intentionally or in error.	d) We have performed substantive analytical procedures to evaluate the reasonableness of un-invoiced revenues recognised. Un-invoiced revenues from fixed fee based service contracts were not significant resulting in lower risk relating to cut off and accuracy. Therefore, we focused our attention on time and unit priced based service contracts in performing substantive analytical procedures. These procedures involved developing sufficiently precise expectations using a plausible and predictable relationship among appropriately disaggregated data. e) We also extended our testing upto the date of approval of the consolidated financial statements by the Board of Directors of the Company to verify adjustments, if any, that may have been necessary upon receipt of approvals from customers for services delivered prior to the reporting date and / or collections against those. f) We evaluated the delivery and collection history of customers against whose contracts un-invoiced revenue relating to period more than a month is recognized. g) For the samples selected, we tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost.
2.	**Impairment of the carrying value of goodwill on consolidation** (Refer Note 5 of the Consolidated Financial Statements) The Group's evaluation of goodwill for impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") to its carrying value. The recoverable amount (determined to be value in use) of a CGU is the higher of its fair value less cost to sell and its value in use. The Group used the discounted cash flow model to determine the value in use, which requires management to make significant estimates and assumptions related to forecasts of future revenues, operating margins, discount rates and terminal growth rates. Changes in these assumptions could have a significant impact on either the recoverable amount, the amount of goodwill impairment charge, if any, or both. The goodwill balance was ₹29,884.90 million as at 31 March 2024 which is allocated to Healthcare, Collection, Customer Management and Mortgage as CGUs. The recoverable amount of each reporting unit exceeds its carrying value as of the measurement date and, therefore, no impairment was recognized. We identified this as a key audit matter basis the nature of the Group's operations, the method used to determine the recoverable amount of the CGUs, and the difference between its recoverable amount and carrying value, and because forecasts of future revenue, operating margin, free cash flows and selection of the discount rate for each CGU involved subjective judgment.	**Principal audit procedures performed** Our audit procedures related to forecasts of future revenue, operating margin and free cash flows and selection of the discount rate for the Group included the following, among others: a) We tested the effectiveness of controls over the forecasts of future revenue, operating margin and free cash flows and the selection of the discount rate. b) We evaluated management's ability to reasonably forecast future revenues and operating margins by comparing actual results to management's historical forecasts. c) We evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to historical revenues and operating margins. d) With the assistance of our fair value specialists, who has specialised skill and knowledge, we evaluated the reasonableness of the valuation methodology and discount rate by testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation for significant CGUs. e) We performed through sensitivity analysis on the key assumptions to ascertain the extent of change in those assumptions that would be required for the goodwill to be impaired.

Sr. No.	Key Audit Matter	Auditor's Response
3.	**Assessment of recoverability of Minimum Alternate Tax ("MAT") Credit for Special Economic Zone ("SEZ") units** (Refer Note 18 of the Consolidated Financial Statements) Under the provisions of the Income Tax Act, 1961, (the "Income Tax Act') Minimum Alternate Tax ("MAT") is payable by companies where 15% (plus applicable surcharge and cess) of its 'book profit' as defined under section 115JB of the Income Tax Act exceeds the income tax payable on the 'total taxable income' computed in accordance with the Income Tax Act. A credit equal to the excess of MAT paid on book profit over the normal income tax payable on the total taxable income is allowed as a credit ("MAT credit"). The MAT credit is allowed to be carried forward for a period of fifteen succeeding assessment years following the assessment year in which the MAT credit becomes allowable. MAT credit can be set off only in the year in which the Company is liable to pay normal income tax on the total taxable income to the extent such tax is in excess of MAT for that year. The Company has recognised deferred tax asset in respect of MAT credit to the extent of ₹2,332.09 million. The Company's evaluation of the recoverability of deferred tax asset in respect of MAT credit requires Management to make significant estimates and assumptions related to forecasts of future taxable profits. Also, a significant portion of the Company's profits in the past have arisen from export of services from delivery centers set up in Special Economic Zones ("SEZ"s). Export profits derived from SEZs are entitled to a 100% deduction in determining the total taxable income for the first five years. The deduction is reduced to 50% for the next ten years (subject to meeting certain additional conditions in the last five years). We identified this as a key audit matter after considering, the proportion of export profits and the tax benefits attached to export profits from SEZs and forecast of future total taxable income involves significant subjective judgement.'	**Principal audit procedures performed** We obtained the projections compiled by the management and performed audit procedures related to forecasts of future taxable profits and operating margin: a) We evaluated the design of internal controls and tested the operating effectiveness of internal controls over the forecasts of future revenue, operating margin, taxable profits and the key assumptions used at the year end b) We evaluated management's ability to accurately forecast future revenues, operating margins and taxable profits by comparing the actual results to management's historical forecast by delivery centres (including the ratio of deliveries from SEZs and Non-SEZ centres) to arrive at forecast tax liabilities. c) We performed sensitivity analysis on the key assumptions to assess their impact on the Company's determination that the MAT was realizable.

Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report including Annexures therto, Management Discussion and Analysis Report, Business Responsibility Report and report of Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the unaudited financial information of the associate, to the extent it relates to it's associate, and in doing so, place reliance on the unaudited financial information certified by the Board of Directors of the Company and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to it's associate, is traced from their unaudited financial information certified by the Board of Directors of the Company.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the other accounting principles generally accepted in India, including Ind AS. 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 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 financial statements 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 statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Managements and 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 Boards of Directors either intend 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 also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 statements.

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 statements, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's 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 statements 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 statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements 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 statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements 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 controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance In the audit of the consolidated financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements also include the Group's share of net profit of ₹Nil million (less than ₹0.01 million) for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial information has not been audited by us. The financial information is unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid 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 consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial information certified by the Board of Directors of the Company.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the unaudited financial information of the associate referred to in the Other Matters section above, we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for not complying with the requirements of audit trail as stated in paragraph (i)(vi) below.

   In respect of one associate where the accounts are unaudited, we are unable to comment on the reporting requirement mentioned in para above.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2024 taken on record by the Board of Directors of the Company and its reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the company and its subsidiary company incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the reports of the Statutory auditors of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate;

      (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.

      (iv) a. The respective Managements of the Company and its subsidiary company which is incorporated in India, whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The respective Managements of the Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or by the subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or the subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us for the Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

In respect of one associate where the accounts are unaudited, we are unable to comment on the reporting requirement under Rule 11 (e).

(v) The amount of dividend is in accordance with Section 123 of the Act and:

a. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

b. The Company has not proposed final dividend for the year.

(vi) Based on our examination which included test checks, the Company and its subsidiary company incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail was enabled at the database level for accounting software to log any direct data changes.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating

In respect of one associate where the accounts are unaudited, we are unable to comment on the reporting requirement under Rule 11 (g).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 March 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by the auditor of the subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO report by the subsidiary auditor and provided to us, we report that in respect of the company where audit has been completed under section 143 of the Act, the auditor of such company has not reported any qualifications or adverse remarks.

In respect of the following company included in the consolidated financial statements of the Company, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of that entity is not available and consequently has not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
Nanobi Data and Analytics Private Limited	U72200KA2012PTC062235	Associate

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

SANJIV V. PILGAONKAR

Partner

(Membership No. 39826)

Mumbai, 3 May 2024 (UDIN:24039826BKCOEE9918)

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act') of Firstsource Solutions Limited

We have audited the internal financial controls with reference to consolidated financial statements of Firstsource Solutions Limited (the 'Company'), its subsidiary company and its associate company incorporated in India as of that date in conjunction with our audit of the consolidated financial statements of the Group as at and for the year ended 31 March 2024.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company, its subsidiary company and its associate company, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial reporting statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, including the unaudited financial information of an associate, which is a company incorporated in India, referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Company, its subsidiary company and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the unaudited financial information of an associate referred to in the Other Matters paragraph below, the Company, its subsidiary company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to an associate company, which is a company incorporated in India, is based solely on the unaudited financial information certified by the Board of Directors of the Company.

Our opinion is not modified in respect of the above matter.

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

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
(UDIN:24039826BKCOEE9918)

Mumbai, 3 May 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in million)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(i)	**1,641.02**	1,739.26
Capital work-in-progress	3(ii)	**170.91**	34.24
Right-of-use assets	4	**6,355.29**	4,958.29
Goodwill on consolidation	5(i)	**29,884.90**	29,449.76
Other intangible assets	5(ii)	**648.98**	1,015.09
Investment in associate accounted for using the equity method		**0.07**	0.07
Financial assets			
Investments	6(i)	**115.05**	115.59
Other financial assets	7(i)	**824.96**	488.40
Deferred tax assets	18	**2,920.61**	2,948.06
Income tax assets (net)	18	**808.79**	786.49
Others non-current assets	8(i)	**2,086.10**	1,025.95
Total non-current assets		**45,456.68**	42,561.20
Current assets			
Financial assets			
Investments	6(ii)	**300.27**	595.50
Trade receivables	9		
- Billed		**8,606.78**	6,800.47
- Unbilled		**3,001.40**	3,584.40
Cash and cash equivalents	10	**1,747.74**	1,515.40
Other balances with banks	11	**136.86**	40.14
Other financial assets	7(ii)	**94.48**	39.80
Other current assets	8(ii)	**1,486.16**	1,506.78
Total current assets		**15,373.69**	14,082.49
Total assets		**60,830.37**	56,643.69
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**6,969.91**	6,969.91
Other equity	12A	**30,034.12**	26,698.54
Total equity attributable to equity holders of the Company		**37,004.03**	33,668.45
Non - controlling interest		**3.84**	3.50
Total equity		**37,007.87**	33,671.95
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Long term borrowings	13(i)	**42.17**	1,393.66
Lease liabilities		**5,713.63**	4,467.15
Other financial liabilities	15(i)	**-**	181.38
Provisions	16(i)	**187.79**	137.03
Deferred tax liabilities	18	**1,470.38**	1,195.98
Total non-current liabilities		**7,413.97**	7,375.20
Current liabilities			
Financial liabilities			
Short-term and other borrowings	13(ii)	**8,080.92**	6,876.10
Trade payables	14	**3,055.81**	2,314.46
Lease liabilities		**1,495.56**	1,194.69
Other financial liabilities	15(ii)	**2,047.30**	3,555.99
Other current liabilities	17	**1,056.96**	828.87
Provisions	16(ii)	**466.89**	826.43
Provision for tax (net)	18	**205.09**	-
Total current liabilities		**16,408.53**	15,596.54
Total equity and liabilities		**60,830.37**	56,643.69
Material accounting policies	2		

The accompanying notes from 1 to 35 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
(DIN 03486121)

Ritesh Idnani
Managing Director and CEO
(DIN 06403188)

Sunil Mitra
Director
(DIN 00113473)

Pradip Kumar Khaitan
Director
(DIN 00004821)

Subrata Talukdar
Director
(DIN 01794978)

Rekha Sethi
Director
(DIN 06809515)

Utsav Parekh
Director
(DIN 00027642)

Anjani K. Agrawal
Director
(DIN 08579812)

T.C. Suseel Kumar
Director
(DIN 06453310)

Vanita Uppal
Director
(DIN 07286115)

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in million)

	Note	Year ended	
		March 31, 2024	March 31, 2023
INCOME			
Revenue from operations	19	**63,362.45**	60,223.18
Other income, net	20	**368.44**	1,308.50
Total income		**63,730.89**	61,531.68
EXPENSES			
Cost of materials consumed			
Employee benefit expenses	21	**39,093.25**	38,680.41
Finance costs	22	**1,033.85**	789.70
Depreciation and amortization expenses	3,4&5(ii)	**2,602.24**	2,631.70
Other expenses	23	**14,704.80**	13,277.72
Total expenses		**57,434.14**	55,379.53
Profit before tax and share in net profit / (loss) of associate		**6,296.75**	6,152.15
Share in net profit of associate		**-**	-
Profit before tax		**6,296.75**	6,152.15
Tax expenses			
Current tax		**900.54**	657.63
Deferred tax		**248.96**	357.40
Profit for the year		**5,147.25**	5,137.12
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement of the net defined benefit liability / asset		**6.46**	36.34
Items that will be reclassified subsequently to the statement of profit and loss			
Net changes in fair value on derivatives designated as cash flow hedges		**223.17**	(464.28)
Deferred tax on items that will be reclassified to statement of profit and loss		**(37.10)**	75.58
Exchange difference on translation of foreign operations		**311.89**	1,633.58
Total other comprehensive income, net of taxes		**504.42**	1,281.22
Total comprehensive income for the year		**5,651.67**	6,418.34
Profit attributable to:			
Owners of the Company		**5,147.29**	5,137.20
Non - controlling interest		**(0.04)**	(0.08)
		5,147.25	5,137.12
Total comprehensive income attributable to:			
Owners of the Company		**5,651.33**	6,418.53
Non - controlling interest		**0.34**	(0.19)
		5,651.67	6,418.34
Earning per equity share			
Weighted average number of equity shares outstanding during the year			
- Basic	30	**684,300,932**	680,585,300
- Diluted	30	**701,621,410**	701,660,739
Earning per equity share			
- Basic	30	**7.52**	7.55
- Diluted	30	**7.34**	7.32
Material accounting policies	2		

The accompanying notes from 1 to 35 are an integral part of these consolidated financial statements.

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
(DIN 03486121)

Ritesh Idnani
Managing Director and CEO
(DIN 06403188)

Sunil Mitra
Director
(DIN 00113473)

Pradip Kumar Khaitan
Director
(DIN 00004821)

Subrata Talukdar
Director
(DIN 01794978)

Rekha Sethi
Director
(DIN 06809515)

Utsav Parekh
Director
(DIN 00027642)

Anjani K. Agrawal
Director
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T.C. Suseel Kumar
Director
(DIN 06453310)

Vanita Uppal
Director
(DIN 07286115)

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Consolidated statement of changes in equity

as at and for the year ended March 31, 2024

(₹ in million)

	Attributable to owners of the Company											
		Reserves and Surplus					Items of other comprehensive income					
	Equity share capital	Treasury shares	Special Economic Zone re-investment reserve	Securities premium	Other reserves	Retained earnings	Employee stock option reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation/ subsidiaries	Total	Attributable to Non-controlling interest	Total equity
Balance as at April 1, 2023	6,969.91	(1,158.14)	15.28	2,251.22	30.41	17,425.98	651.66	(89.08)	7,571.21	33,668.45	3.50	33,671.95
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	6.46	-	186.07	311.51	504.04	0.38	504.42
Profit for the year	-	-	-	-	-	5,147.29	-	-	-	5,147.29	(0.04)	5,147.25
Dividend (net)	-	-	-	-	-	(2,405.94)	-	-	-	(2,405.94)	-	(2,405.94)
Share based payment	-	-	-	-	-	-	31.34	-	-	31.34	-	31.34
Treasury shares	-	450.41	-	-	-	(188.31)	(203.25)	-	-	58.85	-	58.85
Utilised from Special Economic Zone re-investment reserve	-	-	(15.28)	-	-	15.28	-	-	-	-	-	-
Transfer to retained earning for options forfeited	-	-	-	-	-	9.16	(9.16)	-	-	-	-	-
Balance at the end of March 31, 2024	6,969.91	(707.73)	-	2,251.22	30.41	20,009.92	470.59	96.99	7,882.72	37,004.03	3.84	37,007.87

Consolidated statement of changes in equity

as at and for the year ended March 31, 2024

(₹ in million)

	Attributable to owners of the Company											
		Reserves and Surplus					Items of other comprehensive income					
	Equity share capital	Treasury shares	Special Economic Zone re-investment reserve	Securities premium	Other reserves	Retained earnings	Employee stock option reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation/ subsidiaries	Total	Attributable to Non- controlling interest	Total equity
Balance as at April 1, 2022	6,969.91	(1,198.25)	-	2,251.22	30.41	15,524.68	514.33	299.62	5,937.52	30,329.44	3.69	30,333.13
Adoption of amendment to Ind AS 37 (Net of deferred tax) (refer note 33)	-	-	-	-	-	(783.41)	-	-	-	(783.41)	-	(783.41)
	6,969.91	(1,198.25)	-	2,251.22	30.41	14,741.27	514.33	299.62	5,937.52	29,546.03	3.69	29,549.72
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	36.34	-	(388.70)	1,633.69	1,281.33	(0.11)	1,281.22
Profit for the year	-	-	-	-	-	5,137.20	-	-	-	5,137.20	(0.08)	5,137.12
Dividend (including tax on dividend)	-	-	-	-	-	(2,384.45)	-	-	-	(2,384.45)	-	(2,384.45)
Share based payment	-	-	-	-	-	-	227.92	-	-	227.92	-	227.92
Treasury shares	-	40.11	-	-	-	(99.69)	(80.00)	-	-	(139.58)	-	(139.58)
Transfer to Special Economic Zone re-investment reserve	-	-	32.74	-	-	(32.74)	-	-	-	-	-	-
Utilised from Special Economic Zone re-investment reserve	-	-	(17.46)	-	-	17.46	-	-	-	-	-	-
Transfer to retained earning for options forfeited	-	-	-	-	-	10.59	(10.59)	-	-	-	-	-
Balance at the end of March 31, 2023	6,969.91	(1,158.14)	15.28	2,251.22	30.41	17,425.98	651.66	(89.08)	7,571.21	33,668.45	3.50	33,671.95

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Mumbai
May 3, 2024

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Sunil Mitra
Director
(DIN 00113473)

Rekha Sethi
Director
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Shashwat Goenka
Vice- Chairman
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Director
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Vanita Uppal
Director
(DIN 07286115)

Dinesh Jain
President and CFO

Mumbai
May 3, 2024

Consolidated statement of cash flows

for the year ended March 31, 2024

(₹ in million)

	March 31, 2024	March 31, 2023
Cash flow from operating activities		
Net profit before taxation and non controlling interest	**6,296.75**	6,152.15
Adjustments for		
Depreciation and amortization	**2,602.24**	2,631.70
Allowance for expected credit loss/ bad debts written-off, net	**322.64**	185.36
Loss on disposal of property, plant and equipment, net	**55.91**	7.20
Foreign exchange gain, net unrealized	**(31.33)**	(51.44)
Finance costs	**1,033.85**	789.70
Interest income	**(9.88)**	(10.34)
Adoption of amendment to Ind AS 37	**(334.45)**	(758.51)
Profit on sale/redemption of investments	**(62.11)**	(47.54)
Fair value and other adjustments, net	**(335.28)**	(1,285.03)
Employee stock compensation expense	**31.34**	227.92
Operating cash flow before changes in working capital	**9,569.68**	7,841.17
Changes in working capital		
Increase in trade receivables	**(1,545.95)**	(964.92)
(Increase) / decrease in loans and advances and other assets	**(1,266.75)**	708.07
Increase in liabilities and provisions	**408.68**	1,021.83
Net changes in working capital	**(2,404.02)**	764.98
Income taxes paid	**(717.75)**	(655.92)
Net cash generated from operating activities (A)	**6,447.91**	7,950.23
Cash flow from investing activities		
Purchase of current investments	**(16,877.00)**	(14,556.92)
Proceeds from sale of investment in mutual funds	**17,234.34**	15,194.34
Interest income received	**9.88**	10.34
Purchase of property, plant and equipment	**(851.04)**	(536.22)
Proceeds from sale of property, plant and equipment	**0.61**	21.99
Investment in short term fixed deposits	**(33.00)**	-
Earmarked balances with banks	**(63.72)**	30.00
Net cash (used in) / generated from investing activities (B)	**(579.93)**	163.53
Cash flow from financing activities		
Proceeds from / (Repayment of) short term borrowings	**1,277.99**	(1,976.69)
Proceeds from long term borrowings	**41.16**	50.49
Repayment of long term borrowings	**(1,609.77)**	(424.96)
Interest paid on lease liabilities and others	**(1,010.70)**	(787.42)
Purchase of treasury shares, net	**58.85**	(139.58)
Purchase of non controlling interest in subsidiary	**(583.32)**	(276.40)
Payment of lease liabilities	**(1,410.14)**	(1,494.81)
Dividend paid (net)	**(2,405.94)**	(2,384.45)
Net cash used in financing activities (C)	**(5,641.87)**	(7,433.82)
Net increase in cash and cash equivalents (A+B+C)	**226.11**	679.94
Cash and cash equivalents at the beginning of the year	**1,515.40**	828.20
Foreign exchange gain on translating Cash and cash equivalents	**6.23**	7.26
Cash and cash equivalents at the end of the year	**1,747.74**	1,515.40
Other bank balances - short term fixed deposits	**33.00**	-
Cash and bank balances at the end of the year	**1,780.74**	1,515.40

Consolidated statement of cash flows

for the year ended March 31, 2024

Notes to the Consolidated cash flow statement

Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

(₹ in million)

	March 31, 2024	March 31, 2023
Balances with banks		
- in current accounts	**2,348.21**	1,648.53
Remittance in transit	**457.86**	-
	2,806.07	1,648.53
Less: Current account balances held in trust for customers	**1,058.33**	133.13
Cash and cash equivalents	**1,747.74**	1,515.40
Other bank balances - short term fixed deposits	**33.00**	-
Cash and bank balances at the end of the year	**1,780.74**	1,515.40

Reconciliation of liabilities from financing activities for the year ended March 31, 2024

(₹ in million)

Particulars	As at March 31, 2023	Proceeds	Repayment	Effects of change in Foreign exchange	As at March 31, 2024
Long Term Borrowings	**2,998.74**	**41.16**	**(1,609.77)**	**20.38**	**1,450.51**
Short Term Borrowings	**5,271.02**	**1,277.99**	**-**	**123.57**	**6,672.58**
Total Liabilities from financing activities	**8,269.76**	**1,319.15**	**(1,609.77)**	**143.95**	**8,123.09**

Reconciliation of liabilities from financing activities for the year ended March 31,2023

(₹ in million)

Particulars	As at March 31, 2022	Proceeds	Repayment	Effects of change in Foreign exchange	As at March 31, 2023
Long Term Borrowings	3,146.81	50.49	(424.96)	226.40	2,998.74
Short Term Borrowings	6,949.81	-	(1,976.69)	297.90	5,271.02
Total Liabilities from financing activities	10,096.62	50.49	(2,401.65)	524.30	8,269.76

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
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Director
(DIN 07286115)

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

1 Company overview

Firstsource Solutions Limited ('the Company') was incorporated on 6 December 2001. The Company is engaged in the business of providing customer management services like contact center, transaction processing and debt collection services including revenue cycle management in the healthcare industry.

The Company is a public limited company incorporated and domiciled in India having registered office at Mumbai, Maharashtra, India. The Company is listed on the Bombay Stock Exchange and National Stock Exchange in India.

These consolidated financial statements are approved for issue by the Board of Directors on May 3, 2024.

Basis of Preparation and Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards, under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereunder.

The list of entities with percentage holding is as below:

Entities	Country of incorporation and other particulars	Percentage of holding by voting rights	Year of consolidation
Firstsource Solutions UK Limited (FSL UK)	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of United Kingdom.	100%	2002-2003
Firstsource Solutions S.A. (FSL-Arg)	A subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of Argentina.	99.98%	2006-2007
Firstsource BPO Ireland Limited (FSL Ireland)	A subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of Ireland.	100%	2011-2012
Firstsource Dialog Solutions (Private) Limited (FDS)	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of Sri Lanka.	74%	2011-2012
Firstsource Process Management Services Limited (FPMSL)	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of India.	100%	2010-2011
Firstsource Group USA, Inc. (FG US)	A subsidiary of Firstsource Solutions Limited, incorporated in the State of Delaware, USA.	100%	2009-2010
Firstsource Business Process Services, LLC (FBPS)	A subsidiary of FG US, incorporated in the State of Delaware, USA.	100%	2009-2010
Firstsource Advantage LLC (FAL)	A subsidiary of FBPS, incorporated under the laws of the State of New York, USA.	100%	2004-2005
One Advantage LLC (OAL)	A subsidiary of FBPS, incorporated in the state of Delaware, USA.	100%	2014-2015
Medassist Holding LLC (MedAssist)	A subsidiary of FG US, incorporated under the laws of the State of Delaware, USA.	100%	2014-2015
Firstsource Solutions USA LLC	A subsidiary of MedAssist, incorporated in the State of Delaware, USA.	100%	2009-2010
Firstsource Health Plans and Healthcare Services, LLC	A subsidiary of Firstsource Solutions USA LLC, incorporated under the laws of the State of Delaware, USA.	100%	2011-2012
Sourcepoint, Inc.	A subsidiary of FG US, incorporated in the State of Delaware, USA.	100%	2016-2017
Sourcepoint Fulfillment Services, Inc. (Sourcepoint FFS)	A subsidiary of Sourcepoint, Inc.	100%	2016-2017
PatientMatters, LLC (PM)	A subsidiary of Firstsource Solutions USA LLC incorporated in the state of Delaware, USA.	100%	2020-2021
Medical Advocacy Services for Healthcare, Inc (MASH)	A subsidiary of PatientMatters, LLC, incorporated in the state of Texas, USA.	100%	2020-2021
Kramer Technologies LLC (KT)	A subsidiary of PatientMatters, LLC, incorporated in the state of Delaware, USA.	100%	2020-2021
The StoneHill Group, Inc	A subsidiary of Sourcepoint, Inc., incorporated in the state of Georgia, USA.	100%	2021-2022
American Recovery Service Incorporated	A subsidiary of FBPS, incorporated in the state of California, USA.	100%	2021-2022

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

Entities	Country of incorporation and other particulars	Percentage of holding by voting rights	Year of consolidation
Firstsource Solutions México, S. de R.L. de C.V	A subsidiary of FG US, incorporated in the city of Monterrey, Mexico	100%	2021-2022
Firstsource Employee Benefit Trust	A trust of Firstsource Solutions Limited, incorporated under the laws of India.	100%	2019-2020
Firstsource Solutions Jamaica Limited	A subsidiary of FG US, incorporated in the state of Jamaica	100%	2022-2023
Firstsource BPO South Africa (Pty) Limited	A subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of South Africa (incorporated w.e.f. September 27, 2023).	100%	2023-2024
Firstsource Solutions Australia Pty Limited	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of Australia (incorporated w.e.f. February 13, 2024).	100%	2023-2024
Nanobi Data and Analytics Private Limited (Nanobi)	Associate of the Company.	21.79%	2016-2017

2 Material accounting policies

2.1 Basis of consolidation

These Consolidated financial statements are prepared in accordance with the principles and procedures prescribed under Ind AS 110 –'Consolidated Financial Statements' for the purpose of preparation and presentation of consolidated financial statements.

The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances or transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. Non controlling interest represent part of net profit or loss and net assets of subsidiaries that are not directly or indirectly owned or controlled by the Group and is excluded. The consolidated financial statements are prepared using uniform accounting policies for transactions and other similar events in similar circumstances across the Group. Associates are entities over which the Group has significant influence but not control. Significant influence is the right to participate in the financial and operating key decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting. Under this method, the investment in associate is carried in the balance sheet at cost plus post acquisition charges in the Group's share of net assets of the associate, less any provisions for impairment. The consolidated statement of profit and loss reflects the Group's share of the results of operations after tax (net of dividend received) of the associate.

Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of balance sheet. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through this power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.2.1.

2.2.1 Critical accounting estimates

a. Income taxes

The Group's three major tax jurisdictions are India, United Kingdom and the United States of America., though the Group also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note 2.11.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

b. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued at the date of acquisition in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. These measurements are based on the information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

c. Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired, and are reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

d. Impairment of goodwill

Goodwill is tested for impairment at each reporting period and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience.

e. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and identification of lease requires significant judgement. Ind AS 116 additionally requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future periods is reassessed to ensure the lease term reflects the current economic circumstances.

2.3 Revenue recognition

The Group, in its contracts with customers, promises to transfer distinct services rendered. Each distinct service, results in as simultaneous benefit to the corresponding customer. Also, the Group has an enforceable right to payment from the customer for the performance completed to date. Revenue from unit price based contracts is measured by multiplying the units of output delivered with the agreed transaction price per unit while in the case of time and material based contracts, revenue is the product of the efforts expended and the agreed transaction price per unit.

The Group continually reassesses the estimated discounts, rebates, price concessions, refunds, credits, incentives, performance bonuses, etc. (variable consideration) against each performance obligation each reporting period and recognises changes to estimated variable consideration as changes to the transaction price (i.e. revenue) of the applicable performance obligation.

Dividend income is recognised when the right to receive dividend is established.

For all instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Government grants

Revenue grants are recognised when reasonable certainty exists that the conditions precedent will be / are met and the grants will be recognised, on a systematic basis over the period necessary to match them with the related costs which they are intended to compensate.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

2.5 Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised immediately in Other Comprehensive Income. Goodwill is measured at cost less accumulated impairment losses.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the property plant and equipment. Depreciation on fixed assets is provided pro-rata to the period of use based on management's best estimate of useful lives of the assets as summarized below:

Asset category	Useful life (in years)
Tangible assets	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Computers*	2 – 4
Service equipment*	2 – 5
Furniture and fixtures*	2 – 5
Office equipment*	2 – 5
Vehicles	2 – 5

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Act.

Depreciation methods, useful lives and residual values are reviewed periodically at the end of each financial year.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are recognised as a part of the cost of such asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.7 Other intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Asset category	Useful life (in years)
Intangible assets	
Goodwill on acquired assets	5 years or estimated useful life, whichever is shorter
Process know-how	4
Domain name	3
Software*	2 – 4
Customer contracts	3 – 4

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Act.

Process know-how relates to process design and is amortized on a straight line basis over a period of four years. Software purchased is capitalised together with the related hardware and amortised over the best estimate of the useful life from the date the asset is available for use. Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalised and amortised over the estimated useful life of the products as determined by the management. This capitalisation is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product. The amortisation of software development costs is allocated on a systematic basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product lifecycle and actions of competitors.

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2.8 Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.9 Impairment

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since intial recognition.

b. Non-financial assets

i Goodwill

Goodwill is tested for impairment at each reporting period and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units ('CGU') or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

ii Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.10 Employee benefits

a) Post employment benefits

Gratuity

The Gratuity scheme is a defined benefit plan for all employees of the Indian entities. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. The Group recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognised in other comprehensive income and other components are recognised in the consolidated statement of profit and loss. The actual return of portfolio of plan assets in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are

Notes to the Consolidated financial statements

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recognised in other comprehensive income. The effect of any plan amendments are recognised in consolidated statement of profit and loss.

Defined contribution plans

In accordance with Indian regulations, all employees of the Indian entities receive benefits from a Government administered provident fund scheme. This is a defined contribution retirement plan in which both, the company and the employee contribute at a determined rate. Monthly contributions payable to the provident fund are charged to the consolidated statement of profit and loss as incurred.

The subsidiaries in the United States of America have a savings and investment plan under Section 401 (k) of the Internal Revenue Code of the United States of America. Contributions made under the plan are charged to the statement of profit and loss in the period in which they accrue. The Group has no further obligation to the plan beyond its monthly contribution. Other retirement benefits are accrued based on the amounts payable as per local regulations.

b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

c) Other long-term employee benefits

Compensated absences

Provision for compensated absences cost is made based on actuarial valuation by an independent actuary.

Where employees of the Group are entitled to compensated absences, the employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at termination of employment for the unutilised accrued compensated absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

d) Share-based compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the granting of the options and the discount on the shares granted are recognised as an expense, together with a corresponding increase in equity, over the period in which the performance and / or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (i.e. the vesting date). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. On each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. The impact of the revision of original estimates, if any, is recognised immediately in the Statement of Profit and Loss, with a corresponding adjustment to equity.

2.11 Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period. Current tax and deferred tax are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current tax payable by the Company and its subsidiaries in India is income tax payable after taking credit for tax relief available for export operations in Special Economic Zones (SEZs). The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the consolidated balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available

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against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recognised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised. Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be recognised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. All other acquired tax benefits realised are recognised in the statement of profit and loss.

2.12 Leases

The Group enters into contract as a lessee for assets taken on lease. The Group at the inception of a contract assesses whether the contract contains a lease by conveying the right to control the use of an identified asset for a period of time in exchange for consideration.

A Right-of-use asset is recognised representing its right to use the underlying asset for the lease term at the lease commencement date except in case of short term leases with a term of twelve months or less and low value leases which are accounted as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the conditions required by the terms and conditions of the lease, a provision for costs are included in the related Right-of-use asset. The Right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease and if that rate cannot be readily determined the Group uses the incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, variable lease payments, where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Obligation under finance lease are secured by way of hypothecation of underlying fixed assets taken on lease. Lease payments have been disclosed under cash flow from financing activities.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Group changes its assessment whether it will exercise an extension or a termination option.

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2.13 Foreign currency

Functional currency

Functional currency and presentation currency

The consolidated financial statements of the Group are presented in the Indian Rupee ('INR') which is also the functional currency of the Company (excluding its foreign branch) and its Indian subsidiary whereas the functional currency of foreign subsidiaries and foreign branch is the currency of their country of domicile.

Transactions and translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Gains or losses on Revenue from operations including gains or losses on derivative transactions are accounted in other operating income and gains or losses other than on Revenue from operations are accounted in Other Income.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity.

When a subsidiary is disposed off in full, the relevant amount of Foreign currency translation reserves is transferred to the statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

2.14 Earnings per equity share

The basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

2.15 Provisions and contingencies

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and risk specific to the liability.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.16 Financial instruments

2.16.1 Initial recognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

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2.16.2 Classification and subsequent measurement

a) Non-derivative financial instruments

i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iv) Financial assets at fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in consolidated statement of profit and loss.

v) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

vi) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments are recognised by the Group at the proceeds received net of direct issue cost.

b) Derivative financial instruments

Cash flow hedge

The Group designates certain foreign exchange forwards as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies, which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group. The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the consolidated statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognized in Other comprehensive income and accumulated under Cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in Other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction is no longer expected to occur; the cumulative gain or loss accumulated in statement of changes in equity is transferred to the consolidated statement of profit and loss.

c) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.16.3 De-recognition of financial instrument

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

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2.16.4 Fair value of financial instrument

In determining the fair value of its financial instrument, the Group uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

2.17 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.19 Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

2.20 The Code on Social Security 2020

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

2.21 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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3 Property, plant and equipment

(₹ in million)

(i)

	Tangible assets					
	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at April 1, 2023	2,270.85	2,474.30	623.63	1,304.20	368.83	7,041.81
Additions / adjustments during the year	301.04	406.80	35.36	114.90	21.03	879.13
Deletions during the year	(302.88)	(252.93)	(14.45)	(101.39)	(39.90)	(711.55)
Foreign exchange on translation	32.64	30.90	1.73	16.23	5.09	86.59
As at March 31, 2024	2,301.65	2,659.07	646.27	1,333.94	355.05	7,295.98
Accumulated depreciation / amortization						
As at April 1, 2023	1,451.68	2,056.34	476.51	1,010.08	307.94	5,302.55
Charge for the year	325.53	251.91	31.74	112.76	24.54	746.48
On deletions / adjustments during the year	(247.95)	(65.86)	(12.70)	(89.50)	(38.80)	(454.81)
Foreign exchange on translation	20.07	23.54	1.14	11.53	4.46	60.74
As at March 31, 2024	1,549.33	2,265.93	496.69	1,044.87	298.14	5,654.96
Net block						
As at March 31, 2024	752.32	393.14	149.58	289.07	56.91	1,641.02
As at March 31, 2023	819.17	417.96	147.12	294.12	60.89	1,739.26

(₹ in million)

	Tangible assets					
	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at April 1, 2022	2,498.09	2,507.40	868.70	1,208.98	404.57	7,487.74
Additions / adjustments during the year	138.43	64.91	12.59	117.02	17.32	350.27
Deletions during the year	(414.14)	(192.75)	(260.71)	(51.79)	(67.93)	(987.32)
Foreign exchange on translation	48.47	94.74	3.05	29.99	14.87	191.12
As at March 31, 2023	2,270.85	2,474.30	623.63	1,304.20	368.83	7,041.81
Accumulated depreciation / amortization						
As at April 1, 2022	1,359.12	1,880.77	690.77	926.92	345.43	5,203.01
Charge for the year	422.69	294.84	39.77	115.41	16.23	888.94
On deletions / adjustments during the year	(354.83)	(188.41)	(254.46)	(48.66)	(67.21)	(913.57)
Foreign exchange on translation	24.70	69.14	0.43	16.41	13.49	124.17
As at March 31, 2023	1,451.68	2,056.34	476.51	1,010.08	307.94	5,302.55
Net block						
As at March 31, 2023	819.17	417.96	147.12	294.12	60.89	1,739.26
As at March 31, 2022	1,138.97	626.63	177.93	282.06	59.14	2,284.73

(ii) Capital work-in-progress

(₹ in million)

	March 31, 2024	March 31, 2023
Capital work-in-progress	170.91	34.24
	170.91	34.24

All Capital work-in-progress have ageing of less than 6 months and completion is not due.

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4 Leases

The details of Right-of-use assets held by the Group are as follows:

(₹ in million)

Particulars	As at April 1, 2023	Addition during the year	Deletions during the year	Depreciation for the year	Foreign exchange on translation	Net Carrying value as at March 31, 2024
Leasehold properties	4,865.79	2,814.12	(126.29)	(1,336.44)	71.38	6,288.56
Service equipment	80.02	32.24	-	(52.20)	(0.65)	59.41
Vehicles	12.48	-	-	(5.16)	-	7.32
	4,958.29	2,846.36	(126.29)	(1,393.80)	70.73	6,355.29

(₹ in million)

Particulars	As at April 1, 2022	Addition during the year	Deletions during the year	Depreciation for the year	Foreign exchange on translation	Net Carrying value as at March 31, 2023
Leasehold properties	6,674.05	231.19	(963.94)	(1,232.19)	156.68	4,865.79
Service equipment	82.24	36.27	-	(41.70)	3.21	80.02
Vehicles	1.50	15.49	-	(4.51)	-	12.48
	6,757.79	282.95	(963.94)	(1,278.40)	159.89	4,958.29

Rent includes expense towards short term lease payments amounting to ₹ 200.44 (March 31, 2023: ₹ 119.65), expense towards low value leases assets amounting to ₹ 752.71 (March 31, 2023: ₹ 682.39) and common area maintenance charges for leased properties amounting to ₹ 266.96 (March 31, 2023: ₹ 240.29) during the year ended March 31, 2024.

5 (i) Goodwill on consolidation

(₹ in million)

Particulars	Healthcare	Banking and Financial Services	Communication, Media and Technology	Total
Gross carrying value as on April 1, 2022	18,198.51	7,445.73	1,563.71	27,207.95
Addition during the year	-	-	-	-
Effect of translation adjustment	1,529.25	624.12	88.44	2,241.81
Gross carrying value as on March 31, 2023	19,727.76	8,069.85	1,652.15	29,449.76
Effect of translation adjustment	298.31	119.70	17.13	435.14
Gross carrying value as on March 31, 2024	20,026.07	8,189.55	1,669.28	29,884.90

During the current year, internal re-organization, has led to reallocating of Cash Generating Units (CGU's) thereby resulting in reallocation of goodwill based on classification of customers by the Management.

The estimated value-in-use of the CGUs is based on the future cash flows using a long-term average growth rate of 2%-10% and discount rate of 13.5%-19%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The chief operating decision maker reviews the goodwill for any impairment for each cash generating unit on annual basis.

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(ii) Other intangible assets

(₹ in million)

	Domain name	Software	Process know-how	Customer contracts	Total
Gross block					
As at April 1, 2023	6.72	1,870.33	54.95	1,212.78	3,144.78
Additions / adjustments during the year	-	87.99	-	-	87.99
Deletions during the year	-	(29.67)	-	-	(29.67)
Foreign exchange on translation	-	19.85	1.83	29.13	50.81
As at March 31, 2024	6.72	1,948.50	56.78	1,241.91	3,253.91
Accumulated depreciation / amortization					
As at April 1, 2023	6.72	1,542.79	54.95	525.23	2,129.69
Charge for the year	-	189.97	-	271.99	461.96
On deletions / adjustments during the year	-	(26.78)	-	-	(26.78)
Foreign exchange on translation	-	17.40	1.83	20.83	40.06
As at March 31, 2024	6.72	1,723.38	56.78	818.05	2,604.93
Net block					
As at March 31, 2024	-	225.12	-	423.86	648.98
As at March 31, 2023	-	327.54	-	687.55	1,015.09

(₹ in million)

	Domain name	Software	Process know-how	Customer contracts	Total
Gross block					
As at April 1, 2022	6.72	1,790.08	53.77	1,118.13	2,968.70
Additions / adjustments during the year	-	200.36	-	-	200.36
Deletions during the year	-	(180.27)	-	-	(180.27)
Foreign exchange on translation	-	60.16	1.18	94.65	155.99
As at March 31, 2023	6.72	1,870.33	54.95	1,212.78	3,144.78
Accumulated depreciation / amortization					
As at April 1, 2022	6.72	1,487.35	53.77	234.92	1,782.76
Charge for the year	-	200.62	-	263.74	464.36
On deletions / adjustments during the year	-	(180.27)	-	-	(180.27)
Foreign exchange on translation	-	35.09	1.18	26.57	62.84
As at March 31, 2023	6.72	1,542.79	54.95	525.23	2,129.69
Net block					
As at March 31, 2023	-	327.54	-	687.55	1,015.09
As at March 31, 2022	-	302.73	-	883.21	1,185.94

Notes to the Consolidated financial statements

as at March 31, 2024

6 Investments

(i) Non-current

(₹ in million)

	March 31, 2024	March 31, 2023
Unquoted		
Investment in associate		
- **Equity accounting**		
838,705 (March 31, 2023 : 838,705) fully paid compulsorily convertible cumulative preference shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	87.92	87.92
At amortised cost		
Philippines treasury bills*	27.13	27.67
	115.05	115.59

* These securities have been earmarked in favor of Securities and exchange commission, Philippines in compliance with Corporation Code of Philippines.

(ii) Investments - Current

(₹ in million)

	March 31, 2024	March 31, 2023
Investments carried at fair value through statement of profit and loss		
Mutual and other funds (quoted)	300.27	595.50
	300.27	595.50

7 Other financial assets

(₹ in million)

	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
(i) **Other non-current financial assets**		
Deposits	680.12	445.41
Foreign currency forward contracts (net)	96.89	-
Lease rentals receivable	47.95	42.99
	824.96	488.40
(ii) **Other current financial assets**		
Foreign currency forward contracts (net)	31.45	-
Loans and advances to employees	36.22	18.56
Lease rentals receivable	26.81	21.24
	94.48	39.80

8 Other assets

(₹ in million)

	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
(i) **Other non-current assets**		
Capital advances	38.02	0.59
Deferred contract cost	1,930.95	791.94
Unexpired rebate from customer	64.34	124.03
Prepaid expenses	52.79	109.39
	2,086.10	1,025.95

Notes to the Consolidated financial statements

as at March 31, 2024

(₹ in million)

		March 31, 2024	March 31, 2023
(ii)	**Other current assets**		
	Prepaid expenses	776.46	849.14
	Unexpired rebate from customer	85.10	82.36
	Deferred contract cost	280.08	113.58
	Indirect tax recoverable	272.61	275.21
	Other advances	71.91	186.49
		1,486.16	1,506.78

9 Trade receivables

(₹ in million)

	March 31, 2024	March 31, 2023
Considered doubtful	848.22	515.50
Less: Allowance for expected credit loss	848.22	515.50
	-	-
Considered good	8,606.78	6,800.47
	8,606.78	6,800.47
Unbilled revenues	3,001.40	3,584.40
	3,001.40	3,584.40

a) Trade receivables are non-interest bearing and there are no trade receivables with a significant increase in credit risk as well as disputed trade receivables.

b) No trade or other receivables are due from directors or other officers of the Group either severally or jointly.

Trade receivables Ageing Schedule

As on March 31, 2024

(₹ in million)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – considered good	3,966.30	4,427.46	189.93	23.09	-	-	8,606.78
Undisputed Trade receivable – considered doubtful	-	11.92	271.49	321.84	60.11	182.86	848.22
	3,966.30	4,439.38	461.42	344.93	60.11	182.86	9,455.00

As on March 31, 2023

(₹ in million)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – considered good	2,842.09	3,958.38	-	-	-	-	6,800.47
Undisputed Trade receivable – considered doubtful	-	-	264.70	54.89	7.70	188.21	515.50
	2,842.09	3,958.38	264.70	54.89	7.70	188.21	7,315.97

Notes to the Consolidated financial statements

as at March 31, 2024

10 Cash and cash equivalents

(₹ in million)

	March 31, 2024	March 31, 2023
Balances with banks		
- in current accounts	2,348.21	1,648.53
Remittances-in-transit	457.86	-
	2,806.07	1,648.53
Less: Current account balance held in trust for customers	1,058.33	133.13
	1,747.74	1,515.40

11 Other balances with banks

(₹ in million)

	March 31, 2024	March 31, 2023
Short term fixed deposits	33.00	-
Earmarked balances with banks towards		
- unclaimed dividend	39.56	40.14
- corporate social responsibility - unspent	64.30	-
	103.86	40.14
	136.86	40.14

*Earmarked balances with banks represents unclaimed dividend as at March 31, 2024 and March 31, 2023.

12 Share capital

(₹ in million)

	March 31, 2024	March 31, 2023
Authorised		
872,000,000 (March 31, 2023: 872,000,000) equity shares of ₹ 10 each	8,720.00	8,720.00
	8,720.00	8,720.00
Issued, subscribed and paid-up		
696,099,216 (March 31, 2023: 696,099,216) equity shares of ₹ 10 each, fully paid-up	6,969.91	6,969.91
	6,969.91	6,969.91

a Reconciliation of shares outstanding at the beginning and at the end of the reporting year

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	69,69,90,826	6,969.91	69,69,90,826	6,969.91
At the end of the year	69,69,90,826	6,969.91	69,69,90,826	6,969.91

b Particulars of shareholders holding more than 5% equity shares

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
RPSG Ventures Limited	37,39,76,673	53.66%	37,39,76,673	53.66%
HDFC Small Cap Fund	5,83,22,707	8.37%	4,74,00,000	6.80%

Notes to the Consolidated financial statements

as at March 31, 2024

c Shares held by holding company

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
RPSG Ventures Limited	37,39,76,673	3,739.77	37,39,76,673	3,739.77

d Employee stock options

During the year ended March 31, 2024, the Company granted 5,709,000 (March 31, 2023: 3,338,242) options at an exercise price of ₹ 10 (March 31, 2023: ₹ 10.00).

e Shares reserved for issue under options

13,391,679 (March 31, 2023: 22,309,467) number of shares are reserved for employees for issue under the employee stock options plan (ESOP) amounting to ₹ 133.92 (March 31, 2023: ₹ 223.09).

f Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

g Dividend

During the year ended March 31, 2024, the Company has declared interim dividend of ₹ 3.50 per share (March 31, 2023: ₹ 3.50), the Company has incurred a net cash outflow of ₹ 2,405.94 million (March 31, 2023: ₹ 2,384.45) (excluding dividend paid on treasury shares).

h Treasury Shares

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	15,589,182	1,158.14	17,011,351	1,198.25
Purchased during the year	100,000	18.54	1,930,000	203.07
Allotted during the year	(6,312,282)	(468.95)	(3,352,169)	(243.18)
At the end of the year	9,376,900	707.73	15,589,182	1,158.14

As per Ind AS 32, the consideration paid for treasury shares including any directly attributable incremental costs is presented as a deduction from total equity, until they are cancelled, sold or reissued.

12A Other equity

(₹ in million)

	March 31, 2024	March 31, 2023
Securities premium		
At the commencement of the year	2,251.22	2,251.22
At the end of the year	2,251.22	2,251.22
Treasury shares		
At the commencement of the year	(1,158.14)	(1,198.25)
Add : Movement during the year	450.41	40.11
At the end of the year	(707.73)	(1,158.14)

Notes to the Consolidated financial statements

as at March 31, 2024

(₹ in million)

	March 31, 2024	March 31, 2023
Special Economic Zone re-investment reserve		
At the commencement of the year	15.28	-
Add : Transfer from retained earnings	-	32.74
Less : Transfer to retained earnings on utilisation	(15.28)	(17.46)
At the end of the year	-	15.28
Other Reserve		
At the commencement of the year	30.41	30.41
At the end of the year	30.41	30.41
Employee stock option reserve		
At the commencement of the year	651.66	514.33
Add : Share based payments	31.34	227.92
Less : Treasury shares	(203.25)	(80.00)
Less : Transfer to retained earning for options forfeited	(9.16)	(10.59)
At the end of the year	470.59	651.66
Effective portion of cash flow hedges (Other comprehensive income)		
At the commencement of the year	(89.08)	299.62
Add : Movement during the year	186.07	(388.70)
At the end of the year	96.99	(89.08)
Exchange differences on translating the financial statements of a foreign operation / subsidiaries (Other comprehensive income)		
At the commencement of the year	7,571.21	5,937.52
Add : Movement during the year	311.51	1,633.69
At the end of the year	7,882.72	7,571.21
Retained earnings		
At the commencement of the year	17,425.98	15,524.68
Add: Adoption of amendment to Ind AS 37 (Net of deferred tax)	-	(783.41)
Add: Net profit for the year	5,147.29	5,137.20
Add: Treasury shares	(188.31)	(99.69)
Add: Transfer to retained earning for options forfeited	9.16	10.59
Add: Other comprehensive income for the year	6.46	36.34
Less: Transfer to Special Economic Zone re-investment reserve	-	(32.74)
Add: Utilised from Special Economic Zone re-investment reserve	15.28	17.46
Less: Dividend (net)	(2,405.94)	(2,384.45)
At the end of the year	20,009.92	17,425.98
Total other equity	30,034.12	26,698.54

Notes to the Consolidated financial statements

as at March 31, 2024

13 Borrowings

(i) Non-current borrowings

(₹ in million)

	March 31, 2024	March 31, 2023
Unsecured		
Loan from banks (refer note 'a' and 'b')	42.17	1,393.66
	42.17	1,393.66

(ii) Short-term and other borrowings

(₹ in million)

	March 31, 2024	March 31, 2023
Unsecured		
Line of credit from banks - (refer note 'c')	6,672.58	5,271.02
	6,672.58	5,271.02
Current maturities of long-term borrowings		
-Loan from Banks	1,408.34	1,586.93
-Loan from other parties	-	18.15
	1,408.34	1,605.08
	8,080.92	6,876.10

Note:

a Term Loan carry interest in the range of 2%- 7% for a period of 3 years repayable in equal quarterly instalments starting from September 2021.

b Loans carry interest in the range of 3.03% - 10.14% for a period of 3 - 4 years, repayable in quarterly instalments from the date of its origination. These loans are for equipment and asset financing.

c Line of credit from bank carries floating interest rate in the range of 1.00% to 7.50%, these are working capital lines.

14 Trade Payables

(₹ in million)

	March 31, 2024	March 31, 2023
Trade Payables	3,055.81	2,314.46
	3,055.81	2,314.46

As at March 31, 2024

(₹ in million)

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,485.51	570.30	-	-	-	3,055.81
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
	2,485.51	570.30	-	-	-	3,055.81

As at March 31, 2023

(₹ in million)

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,054.73	259.73	-	-	-	2,314.46
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
	2,054.73	259.73	-	-	-	2,314.46

Notes to the Consolidated financial statements

as at March 31, 2024

15 Other financial liabilities

(i) Other non current financial liabilities

(₹ in million)

	March 31, 2024	March 31, 2023
Foreign currency forward contracts (net)	-	32.10
Liability for Purchase of Non-controlling Interest	-	149.28
	-	181.38

(ii) Other current financial liabilities

(₹ in million)

	March 31, 2024	March 31, 2023
Book credit in bank account	153.84	477.75
Foreign currency forward contracts	-	105.77
Interest accrued but not due	158.02	118.92
Employee benefits payable	1,416.56	1,898.64
Creditors for capital goods	74.74	5.27
Unclaimed dividends	39.66	40.21
Liability for Purchase of Non-controlling Interest	204.48	909.43
	2,047.30	3,555.99

16 Provisions

(i) Non-current

(₹ in million)

	March 31, 2024	March 31, 2023
Provisions for employee benefits	187.79	137.03
	187.79	137.03

(ii) Current

(₹ in million)

	March 31, 2024	March 31, 2023
Provisions for employee benefits	466.89	494.45
Provision for onerous contracts	-	331.98
	466.89	826.43

17 Other liabilities

(₹ in million)

	March 31, 2024	March 31, 2023
Other current liabilities		
Value added tax	376.34	563.32
Tax deducted at source	95.78	80.11
Advance from customer	175.38	31.32
Statutory Dues	190.09	137.16
Liabilities towards customer contracts	219.37	-
Unearned Income	-	16.96
	1,056.96	828.87

Notes to the Consolidated financial statements

as at March 31, 2024

18 Taxation

As at March 31, 2024

(₹ in million)

Taxation	Opening Balance	Additions	Recognised in Profit and loss	Recognised in Other Comprehensive Income	Exchange	Closing Balance
Deferred tax assets on account of:						
Property, plant and equipment and intangibles	258.48	-	128.92	-	(1.36)	386.04
Other employee benefits payable	58.80	-	6.81	-	-	65.61
Lease liabilities	82.16	-	20.67	-	0.72	103.55
Unused tax losses	6.85	-	-	-	-	6.85
Minimum alternate tax credit carried forward	2,348.93	-	(16.84)	-	-	2,332.09
Employee stock options	72.85	-	(27.45)	-	-	45.40
Accrued expenses / allowance for doubtful debts	101.82	-	(106.48)	-	4.66	-
Foreign currency forward contracts	18.17	-	-	(37.10)	-	(18.93)
	2,948.06	-	5.63	(37.10)	4.02	2,920.61
Deferred tax liability on account of:						
Cash flow hedges						
Goodwill	2,373.74	-	-	-	35.68	2,409.42
Business losses carried forward	(864.29)	-	226.77	-	(10.02)	(647.54)
Property, plant and equipment and intangibles	80.57	-	(34.16)	-	0.96	47.37
Other employee benefits payable	(54.81)	-	(7.44)	-	(0.88)	(63.13)
Lease liabilities	(78.94)	-	1.69	-	(1.18)	(78.43)
Accrued expenses / allowance for doubtful debts	(183.54)	-	(9.61)	-	(4.16)	(197.31)
Provision for onerous contracts	(76.75)	-	77.34	-	(0.59)	-
	1,195.98	-	254.59	-	19.81	1,470.38

As at March 31, 2023

(₹ in million)

Taxation	Opening Balance	Additions	Recognised in Profit and loss	Recognised in Other Comprehensive Income	Exchange	Closing Balance
Deferred tax assets on account of:						
Property, plant and equipment and intangibles	213.45	-	32.22	-	12.81	258.48
Other employee benefits payable	57.73	-	1.06	-	0.01	58.80
Lease liabilities	122.53	-	(40.90)	-	0.53	82.16
Unused tax losses	6.85	-	-	-	-	6.85
Minimum alternate tax credit carried forward	2,361.57	-	(12.64)	-	-	2,348.93
Employee stock options	113.12	-	(40.28)	-	0.01	72.85
Accrued expenses / allowance for doubtful debts	-	-	108.66	-	(6.84)	101.82
Foreign currency forward contracts	(57.41)	-	-	75.58	-	18.17
	2,817.84	-	48.12	75.58	6.52	2,948.06
Deferred tax liability on account of:						
Goodwill	2,189.51	-	-	-	184.23	2,373.74
Business losses carried forward	(800.02)	-	2.66	-	(66.93)	(864.29)
Property, plant and equipment and intangibles	68.49	-	6.17	-	5.91	80.57
Other employee benefits payable	(70.31)	-	20.92	-	(5.42)	(54.81)
Lease liabilities	(81.70)	-	9.41	-	(6.65)	(78.94)
Accrued expenses / allowance for doubtful debts	(346.95)	-	188.16	-	(24.75)	(183.54)
Provision for onerous contracts	-	(238.92)	178.20	-	(16.03)	(76.75)
	959.02	(238.92)	405.52	-	70.36	1,195.98

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

(₹ in million)

	March 31, 2024	March 31, 2023
Income tax assets (net)	808.79	786.49
Provision for tax (net)	(205.09)	-
	603.70	786.49

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Profit before income taxes	6,296.75	6,152.15
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	2,200.34	2,149.81
Income Exempt from Tax and Tax Holidays	(770.36)	(757.49)
Expenses not deductible for tax purposes	63.44	(6.54)
Effect of differential overseas tax rate	(281.24)	(370.13)
ESOP cost allowed for tax purpose	(54.11)	18.70
Previous years tax adjustments	-	(14.44)
Others	(8.57)	(4.88)
Income tax expense	1,149.50	1,015.03

19 Revenue from operations

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Sale of services	63,325.28	59,859.27
Other operating income, net	37.17	363.91
	63,362.45	60,223.18

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 by geography.

(₹ in million)

Taxation	BFS*	Healthcare	CMT**	Diverse Industries	Total
UK	8,522.60	83.57	10,426.85	3,206.19	22,239.21
USA	16,296.25	20,780.20	3,688.28	247.30	41,012.03
Asia and Rest of World	37.78	10.27	(1.74)	27.73	74.04
Total	24,856.63	20,874.04	14,113.39	3,481.22	63,325.28

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 by geography.

(₹ in million)

Taxation	BFS*	Healthcare	CMT**	Diverse Industries	Total
UK	7,729.12	188.37	10,490.82	1,365.52	19,773.83
USA	17,439.04	19,765.15	2,134.96	122.64	39,461.79
Asia and Rest of World	484.65	109.62	18.75	10.63	623.65
Total	25,652.81	20,063.14	12,644.53	1,498.79	59,859.27

*BFS - Banking and Financial Services

**CMT - Communication, Media and Technology

Revenues is excess of invoicing are classified as contract assets (which is referred as unbilled revenues). Changes in contract assets are directly attributable to revenues recognised based on the accounting policy defined and the invoicing done during the period. Applying the practical expedient as given in Ind AS $_{115}$, the group has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the group's performance completed to date.

Notes to the Consolidated financial statements
for the year ended March 31, 2024

20 Other income, net

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Profit on sale / redemption of current investments, net	62.11	47.54
Foreign exchange gain / (loss), net	17.08	(27.21)
Interest income	9.88	10.34
Loss on sale of fixed assets, net	(55.91)	(7.20)
Miscellaneous income, net*	335.28	1,285.03
	368.44	1,308.50

* Miscellaneous income includes ₹ 335.28 and ₹ 386.91 for the year ended March 31, 2024 and March 31, 2023 respectively relating to the fair value of the liability towards purchase of non-controlling interest and ₹ 955.24 for the year ended March 31, 2023 relating to the fair value of the liability for contingent consideration.

21 Employee benefits expense

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Salaries and wages	35,922.47	35,485.81
Contribution to provident and other funds	1,675.12	1,547.34
Staff welfare expenses	1,457.57	1,413.74
Employee stock compensation expense	31.34	227.92
Directors' sitting fees	6.75	5.60
	39,093.25	38,680.41

22 Finance costs

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Interest expense		
- on working capital demand loan and others	716.01	501.05
Interest expense on leased liabilities	317.84	288.65
	1,033.85	789.70

Notes to the Consolidated financial statements
for the year ended March 31, 2024

23 Other expenses

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Connectivity expenses	506.84	545.58
Communication expenses	1,561.50	1,388.25
Technology and applications support cost	1,549.90	1,482.67
Legal and professional fees	1,366.65	1,163.49
Repairs, maintenance and upkeep	676.60	663.38
Travel and conveyance	629.37	493.86
Car hire charges	379.86	235.08
Marketing and support fees	683.44	407.46
Electricity, water and power consumption	309.24	333.74
Recruitment and training expenses	511.61	515.26
Bank administration charges	382.02	312.82
Rates and taxes	281.79	270.54
Rent, net (refer note 4)	1,220.11	1,042.33
Insurance	288.72	328.33
Contribution to Corporate Social Responsibility	75.30	68.36
Allowance for expected credit loss/ bad debts written-off, net	322.64	185.36
Services rendered by business associates and others	3,614.04	3,730.89
Auditors remuneration and expenses		
- for audit fees	20.00	19.00
- for taxation matters	0.60	0.60
- for other services	5.00	5.00
- for reimbursement of expenses	0.60	0.60
Miscellaneous expenses, net	318.97	85.12
	14,704.80	13,277.72

24 FINANCIAL INSTRUMENTS:

I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows:

(₹ in million)

Taxation	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Investments	27.13	300.27	-	327.40	327.40
Trade receivables	11,608.18	-	-	11,608.18	11,608.18
Cash and cash equivalents	1,747.74	-	-	1,747.74	1,747.74
Other balances with banks	136.86	-	-	136.86	136.86
Other financial assets	791.10	12.41	115.93	919.44	919.44
Total	14,311.01	312.68	115.93	14,739.62	14,739.62
Financial liabilities					
Borrowings	8,123.09	-	-	8,123.09	8,123.09
Lease Liabilities	7,209.19	-	-	7,209.19	7,209.19
Other financial liabilities	1,842.82	204.48	-	2,047.30	2,047.30
Trade payables	3,055.81	-	-	3,055.81	3,055.81
Total	20,230.91	204.48	-	20,435.39	20,435.39

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The carrying value and fair value of financial instruments by categories as at March 31, 2023 were as follows:

(₹ in million)

Taxation	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Investments	27.67	595.50	-	623.17	623.17
Trade receivables	10,384.87	-	-	10,384.87	10,384.87
Cash and cash equivalents	1,515.40	-	-	1,515.40	1,515.40
Other balances with banks	40.14	-	-	40.14	40.14
Other financial assets	528.20	-	-	528.20	528.20
Total	12,496.28	595.50	-	13,091.78	13,091.78
Financial liabilities					
Borrowings	8,269.76	-	-	8,269.76	8,269.76
Lease Liabilities	5,661.84	-	-	5,661.84	5,661.84
Other financial liabilities	2,540.79	1,068.82	127.76	3,737.37	3,737.37
Trade payables	2,314.46	-	-	2,314.46	2,314.46
Total	18,786.85	1,068.82	127.76	19,983.43	19,983.43

II. Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2024:

(₹ in million)

	March 31, 2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments				
Investment in mutual and other funds	**300.27**	**300.27**	**-**	**-**
Other financial assets				
Foreign currency forward contracts	**128.34**	**-**	**128.34**	**-**
Other financial liabilities				
Liability for Purchase of Non-controlling Interest	**(204.48)**	**-**	**-**	**(204.48)**
Total	**224.13**	**300.27**	**128.34**	**(204.48)**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as March 31, 2023:

(₹ in million)

	March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments				
Investment in mutual and other funds	595.50	595.50	-	-
Other financial liabilities				
Liability for Purchase of Non-controlling Interest	(1,058.71)	-	-	(1,058.71)
Foreign currency forward contracts	(137.87)	-	(137.87)	-
Total	(601.08)	595.50	(137.87)	(1,058.71)

The fair value of other financial assets and liabilities approximate the carrying value.

The fair value of Mutual and other funds is based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The fair value of equity instruments and preference instruments is based on inputs that are not based on observable market data.

Notes to the Consolidated financial statements

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III. Financial risk management:

Financial risk factors:

The Group's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

a) Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its services from India for contracts in the overseas geographies, primarily in the United States of America and United Kingdom, and purchases from overseas suppliers in foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of operations may be affected as the Rupee fluctuates against these currencies.

The following table analyzes foreign currency risk as of March 31, 2024:

(₹ in million)

	USD	GBP	PHP	Others*	Total
Total financial assets	**106.73**	**237.25**	**55.04**	**75.97**	**474.99**
Total financial liabilities	**-**	**-**	**234.72**	**-**	**234.72**

The following table analyzes foreign currency risk as of March 31, 2023:

(₹ in million)

	USD	GBP	PHP	Others*	Total
Total financial assets	69.13	250.34	41.33	1.18	361.98
Total financial liabilities	-	-	122.88	-	122.88

* Others includes LKR, Euro etc.

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency Firstsource Solutions Limited and its subsidiaries would result in increase/decrease in the Group's profit before tax approximately ₹ 218.08 for the year ended March 31, 2024 (March 31, 2023: ₹ 296.24).

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign currency forward and option contracts:

(₹ in million)

	March 31, 2024		March 31, 2023	
	Foreign Currency in millions	In ₹ millions	Foreign Currency in millions	In ₹ millions
Forward and option contracts				
in USD	**102.00**	**8,581.56**	137.35	11,369.49
in GBP	**223.32**	**24,218.36**	111.11	11,587.20
Total		**32,799.92**		22,956.69

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The foreign exchange forward contracts mature within sixty months.

The table below analyses the derivative financial instruments into relevant maturity grouping based on the remaining period as of the balance sheet date:

(₹ in million)

	March 31, 2024	March 31, 2023
Forward and option contracts in USD		
Not later than one month	1,670.33	2,991.71
Later than one month and not later than three months	2,126.09	1,648.22
Later than three months	4,785.14	6,729.56
Total	8,581.56	11,369.49
Forward and option contracts in GBP		
Not later than one month	1,921.09	1,629.32
Later than one month and not later than three months	2,694.84	1,317.48
Later than three months	19,602.43	8,640.40
Total	24,218.36	11,587.20

The movement in Hedging Reserve, for derivatives designated as cash flow hedges is as follows:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	(89.08)	299.62
Changes in the fair value of effective portion of cash flow hedges	223.17	(464.28)
Deferred tax movement	(37.10)	75.58
Balance at the end of the year	96.99	(89.08)

The following table summarises approximate gains / (loss) on the Company's other comprehensive income on account of appreciation / depreciation of underlying foreign currencies:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
5% Appreciation of the underlying foreign currencies	(1,322.08)	(1,094.35)
5% Depreciation of the underlying foreign currencies	1,286.22	1,111.30

b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 8,606.78 and ₹ 6,800.47 as of March 31, 2024 and March 31, 2023 respectively and unbilled revenue amounting to ₹ 3,001.40 and ₹ 3,584.40 as of March 31, 2024 and March 31, 2023 respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States, United Kingdom, Philippines and other locations. Credit risk has always been managed by the Group by continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The following table gives details in respect of percentage of revenues generated from top five customers:

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Revenue from top five customers	36.22%	37.21%

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c) Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The following are contractual maturities of Lease Liabilities on an undiscounted basis as at 31 March 2024 and 31 March 2023:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Less than one year	1,908.63	1,530.61
One to five years	5,448.33	3,911.17
More than five years	1,012.97	1,075.18
Total	8,369.93	6,516.96

Future cash outflows in respect of certain leasehold properties to which the Group is potentially exposed as a lessee that are not reflected in the measurement of the lease liabilities include exposures from options of extension and termination. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Management has considered all relevant facts and circumstances that create an economic incentive for the Group as a lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease as at March 31, 2024. The Group shall revise the lease term when there is a change in the facts and circumstances.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023:

(₹ in million)

	March 31, 2024		March 31, 2023	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	3,055.81	-	2,314.46	-
Borrowings	8,080.92	42.17	6,876.10	1,393.66
Lease Liabilities	1,495.56	5,713.63	1,194.69	4,467.15
Other financial liabilities	2,047.30	-	3,555.99	181.38

Management expects the recoveries from current financial assets as at the year end and the net cash inflows from operations during the ensuing financial year to be sufficient for the Group to be able to meet these obligations of lease and other significant financial liabilities. In addition, the Group also has unused lines of credit.

Notes to the Consolidated financial statements
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25 Related party transactions

Holding Company	RPSG Ventures Limited
Subsidiaries	The related parties where control exists are subsidiaries as referred to in Note 1 to the consolidated financial statements.
Associate	Nanobi Data and Analytics Private Limited (Nanobi)
Key Managerial Personnel	Ritesh Idnani (appointed w.e.f. September 1, 2023)
	Vipul Khanna (resigned w.e.f. August 31, 2023)
	Dinesh Jain
Non - executive Directors	Dr Sanjiv Goenka
	Subrata Talukdar
	Shashwat Goenka
	Pradip Kumar Khaitan
	Pratip Chaudhuri (ceases to be director w.e.f. March 31, 2024)
	Sunil Mitra
	Anjani K. Agrawal
	Vanita Uppal
	Rekha Sethi (appointed w.e.f. September 1, 2023)
	T. C. Suseel Kumar (appointed w.e.f. September 1, 2023)
	Utsav Parekh
Companies under common control (where transactions exists)	RPSG Resources Private Limited
	CESC Ltd
	PCBL Limited

Particulars of related party transactions

(₹ in million)

Name of the related party	Description	Transaction value during the year ended		Receivable / (Payable) as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Nanobi	Receipt of services from Nanobi	-	1.00	-	-
RPSG Ventures Limited	Dividend paid	**1,308.92**	1,308.92	-	-
CESC Limited	Receipt of services	-	0.10	-	-
	Recovery of expenses	**0.01**	-	**(0.01)**	-
Spencer's Retail Limited	Income from services	-	1.22	-	
APA Services Private Limited	Recovery of expenses from APA Services Private Limited	-	0.59	-	-
PCBL Limited	Recovery of expenses	**1.18**	-	**(0.30)**	-
RPSG Resources Private Limited	Receipt of services	**103.88**	105.22	**(40.66)**	(32.13)
	Brand equity	**108.20**	101.35	**(35.86)**	(1.46)
Non executive directors	Sitting fees	**6.75**	5.60	-	-
Key Management Personnel and relatives	Remuneration*	**355.50**	307.24	-	-
	Dividend paid	**1.05**	3.51	-	-

The sales to and purchases from related parties are made on terms equivalent to that prevails in arm's length transactions.

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Short-term employee benefits	**275.14**	240.51
Share based payments	**80.36**	66.73
Dividend paid	**1.05**	3.51

*Transactions with key management personnel excludes gratuity and compensated absences.

Notes to the Consolidated financial statements
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26 Segment reporting

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 ('BFS'), Healthcare, Communication Media and Technology ('CMT') 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.

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Business segment		
Segment revenue		
Banking and Financial Services	**24,856.63**	25,652.81
Healthcare	**20,874.04**	20,063.14
Communication, Media and Technology	**14,113.39**	12,644.53
Diverse Industries	**3,481.22**	1,498.79
Less: Inter Segment Revenue	-	-
Net segment revenue	**63,325.28**	59,859.27
Segment results before tax and finance costs		
Banking and Financial Services	**3,490.02**	2,477.39
Healthcare	**2,721.81**	3,537.03
Communication, Media and Technology	**2,879.00**	2,312.97
Diverse Industries	**659.38**	253.97
Total	**9,750.21**	8,581.36
Finance costs	**(1,033.85)**	(789.70)
Other un-allocable expenditure, net of un-allocable income	**(2,419.61)**	(1,639.51)
Share in net profit / (loss) of associate	-	-
Profit before taxation, minority interest and other comprehensive income	**6,296.75**	6,152.15
Taxation	**1,149.50**	1,015.03
Non - controlling interest	**(0.04)**	(0.08)
Profit attributable to owners of the company	**5,147.29**	5,137.20

Entity wide disclosure

Geographical information: Revenues based on domicile of the customer are as follows:

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Geographical information		
Segment revenue		
UK	**22,239.21**	19,773.83
USA	**41,012.03**	39,461.79
Asia and Rest of World	**74.04**	623.65
	63,325.28	59,859.27

Notes to the Consolidated financial statements

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Geographical information: Other non-current assets

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Geographical information		
Other non-current assets		
UK	**1,978.59**	893.31
USA	**84.10**	92.60
Asia and Rest of World	**23.41**	40.04
	2,086.10	1,025.95

27 Employee stock option plan

Employee stock option Scheme 2003 ('Scheme 2003')

The Employee Stock Option Scheme 2003 ('the Scheme') approved by the Board of Directors and the members of the Company and administered by the Nomination & Remuneration Committee ('the Committee') is effective 11 October, 2003. The key terms and conditions included in the scheme are in line with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (shared based employee benefits) Regulations, 2014).

As per the Scheme, the Committee issued stock options to the identified employees at an exercise price equal to the fair value on the date of grant and there stock options would vest in tranches over a period of four years as stated below and shall be exercised within a period of ten years from the date of the grant of the options.

Period within which options will vest unto the eligible employee	% of options that will vest
End of 12 months from the date of grant of options	25.00
End of 18 months from the date of grant of options	12.50
End of 24 months from the date of grant of options	12.50
End of 30 months from the date of grant of options	12.50
End of 36 months from the date of grant of options	12.50
End of 42 months from the date of grant of options	12.50
End of 48 months from the date of grant of options	12.50

Firstsource Solutions Limited Employee Stock Option Plan 2019 ('ESOP 2019 PLAN')

The Company established ESOP 2019 Plan, pursuant to approval of the Board of Directors and the shareholders at the Annual General Meeting on August 2, 2019 and administered by the Committee. The key terms and conditions included in the ESOP 2019 Plan are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended.

As per the ESOP 2019 Plan, the Committee will issue stock options to the identified eligible employees/ director(s) of the Company and its Subsidiaries at an exercise price which will be the face value of the Shares or any higher price which may be decided by the Committee considering the prevailing market conditions and the norms as prescribed by the Securities and Exchange Board of India ('SEBI') and other relevant regulatory authorities. Further the stock options under the said plan would vest & be exercisable in tranches as determined by the Committee.

The ESOP 2019 Plan is proposed to include grants to identified eligible employees under the Long Term Incentive Structure ('LTI'). The LTI will be tenure based or performance based as per the vesting conditions below:

(₹ in million)

Period within which options will vest unto the participant	% of options that will vest	
	Tenure based	Performance based*
End of 12 months from the date of grant of options	**25.00**	25.00
At the end of every quarter after year 1, till end of year 4 from date of grant	**6.25**	-
At the end of every year after year1, till end of year 4 from date of grant	**-**	25.00

*Attainment of options can range between 0% and 150% of tranche eligible for vesting for the respective performance measurement period. Each tranche is separate. Performance and vesting in one period has no bearing on performance and vesting in another period;

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Under both the above structures grants will be issued at face value of the shares or any higher price which may be decided by the Committee and will have an exercise period upto ten years as per the Scheme and as determined by the Committee.

The ESOP 2019 Plan shall be implemented by the Firstsource Employee Benefit Trust ('the Trust') which will be administered by the Committee. The Company shall provide financial assistance to the Trust for secondary acquisition of equity shares of the Company for the purpose of implementation of ESOP 2019 Plan. The terms and conditions for the financial assistance provided shall be in Compliance with the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 and SEBI regulations.

During the year ended March 31, 2024, the Trust has purchased 100,000 (31 March 2023: 1,930,000) equity shares through secondary acquisition. As on 31 March 2024, the trust holds 9,376,900 (31 March 2023: 15,589,182) number of equity shares.

GRANTS TO THE MANAGING DIRECTOR & CEO (MD & CEO) UNDER ESOP 2019 PLAN

In view of the Shareholder's approval via postal ballot on October 30, 2023 through a special resolution wherein it was approved that the MD & CEO shall be entitled to participate in the equity based LTI of the Company. The Committee on September 1, 2023 has approved the grant of 4,500,000 options under ESOP Plan 2019 at the face value of ₹ 10/- of the shares to the MD and CEO which is performance based structure. The brief details of these grants are mentioned herein below:

A. Grants under Performance Based Structure :

No. of Stock Options	Vesting Date	Vesting Conditions
45,00,000	May 15, 2028	Continued employment and increase in the Company's compound annual growth rate revenue (CAGR) and earnings before interest and taxes margin (EBIT)**

** Performance period may be further defined in consultation with the Nomination & Remuneration Committee.

Employee stock option activity during the year ended March 31, 2024

A) Under ESOS Scheme 2003 and ESOP 2019 Plan are as follows:

Description	Exercise Range	March 31, 2024		March 31, 2023	
		Shares arising out of options	Weighted Average period in months	Shares arising out of options	Weighted Average period in months
Outstanding at the beginning of the year	**10.00**	**20,812,287**	**104.17**	23,441,255	101.11
	10.01 - 60.00	**1,046,875**	**45.71**	1,514,988	48.19
	60.01 - 75.00	**450,305**	**77.23**	781,712	77.23
		22,309,467		25,737,955	
Granted during the year	**10.00**	**5,709,000**		3,338,242	
	10.01 - 60.00	**-**		-	
	60.01 - 75.00	**-**		-	
		5,709,000		3,338,242	
Forfeited during the year	**10.00**	**8,093,101**		3,307,251	
	10.01 - 60.00	**67,500**		34,500	
	60.01 - 75.00	**73,905**		47,810	
		8,234,506		3,389,561	
Exercised during the year*	**10.00**	**5,874,182**		2,634,959	
	10.01 - 60.00	**333,725**		433,613	
	60.01 - 75.00	**104,375**		283,597	
		6,312,282		3,352,169	
Expired during the year	**10.00**	**-**		25,000	
	10.01 - 60.00	**80,000**		-	
	60.01 - 75.00	**-**		-	
		80,000		25,000	

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Description	Exercise Range	March 31, 2024 Shares arising out of options	March 31, 2024 Weighted Average period in months	March 31, 2023 Shares arising out of options	March 31, 2023 Weighted Average period in months
Outstanding at the end of the year	10.00	12,554,004	98.60	20,812,287	104.17
	10.01 - 60.00	565,650	24.44	1,046,875	45.71
	60.01 - 75.00	272,025	52.87	450,305	77.23
		13,391,679		22,309,467	
Exercisable at the end of the year	10.00	4,188,151	81.85	3,766,359	102.68
	10.01 - 60.00	565,650	24.44	1,046,875	45.71
	60.01 - 75.00	272,025	52.87	450,305	77.23
		5,025,826		5,263,539	

*The weighted average share price of these options was ₹ 12.26 and ₹ 18.94 for the year ended March 31, 2024 and March 31, 2023 respectively.

The key assumptions used to estimate the fair value of options are:

(₹ in million)

	March 31, 2024	March 31, 2023
Dividend yield	0% to 4%	0% to 4%
Expected Life	2-7 years	2-7 years
Risk free interest rate	6.50% to 9.06%	6.50% to 9.06%
Volatility	0% to 75%	0% to 75%
Model Used	Black & Scholes	Black & Scholes

The expense arises from equity settled share based payment transaction amounting to ₹ 31.34 and ₹ 227.92 for the year ended March 31, 2024 and March 31, 2023 respectively.

28 Employee benefits

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, Indian employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, investments are in debt mutual funds. Annual contributions at a level such that no plan deficits (based on valuation performed) will arise.

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Gratuity plan

The following table sets out the status of the gratuity plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and fair value of planned assets:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Change in present value of obligations		
Obligations at beginning of the year	183.91	166.13
Service cost	62.83	77.08
Interest cost	12.34	10.13
Actuarial (gain)/loss	(6.49)	(36.89)
Benefits paid	(25.51)	(32.54)
Obligations at the end of the year	227.08	183.91
Change in plan assets		
Fair value of plan assets at beginning of the year	46.88	28.67
Return on Plan Assets excluding interest income	(0.03)	(0.55)
Interest income	2.51	2.15
Contributions	15.11	48.81
Benefits paid	(25.18)	(32.20)
Fair value of plan assets at end of the year,	39.29	46.88
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligations at the end of the year	227.08	183.91
Fair value of plan assets at the end of year	(39.29)	(46.88)
Funded status being amount of liability recognised in the balance sheet	187.79	137.03
Gratuity cost for the year		
Service cost	62.83	77.08
Interest cost	9.83	7.98
Net gratuity cost	72.66	85.06
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(6.49)	(36.89)
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	0.03	0.55
Total actuarial (gain)/loss recognized in (OCI)	(6.46)	(36.34)
Category of Assets	**Total Amount**	Target Allocation %
Gratuity Fund (LIC of India and Birla Sunlife Insurance Co. Ltd)	34.36	100.00%
Total Itemized Assets	34.36	100.00%
Assumptions		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest rate	7.08%	7.29%
Rate of growth in salary levels	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The Company continues to fund to the trust in next year by reimbursing the actual payouts.

Gratuity cost, as disclosed above, is included under 'Employee benefit expense'.

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

a) Contribution to Provident fund

The provident fund charge during the year amounts to ₹ 285.10 (March 31, 2023: ₹ 246.10).

b) Compensated absences

(₹ in million)

Actuarial assumptions	March 31, 2024	March 31, 2023
Interest rate	**7.08%**	7.29%
Rate of growth in salary levels	**6.00%**	6.00%

29 Statement pursuant to requirement of Schedule III to the Companies Act, 2013 relating Company's interest in subsidiary companies

(₹ in million)

Sr no	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
	Firstsource Solutions Limited	25.77%	24,107.27	62.11%	3,196.99	36.18%	182.51	59.80%	3,379.50
	Subsidiaries - Indian								
1	Firstsource Process Management Services Limited	0.04%	37.61	0.03%	1.69	0.00%	-	0.03%	1.69
	Subsidiaries - Foreign								
1	Firstsource Solutions UK Limited	5.64%	5,275.59	11.01%	566.50	31.04%	156.59	12.79%	723.09
2	Firstsource BPO Ireland Limited	0.01%	13.23	-0.04%	(1.97)	0.01%	0.07	-0.03%	(1.90)
3	Firstsource Dialog Solutions (Private) Limited	0.02%	14.76	0.15%	7.85	0.22%	1.10	0.16%	8.95
4	Firstsource Solutions S.A.	0.00%	-	-	-	0.00%	-	0.00%	-
5	Firstsource Group USA, Inc.	32.15%	30,077.70	-16.83%	(866.40)	28.43%	143.40	-12.79%	(723.00)
6	Firstsource Advantage LLC	1.40%	1,312.15	8.05%	414.18	-0.13%	(0.67)	7.32%	413.51
7	Firstsource Business Process Services, LLC	7.74%	7,239.57	-0.01%	(0.38)	18.88%	95.22	1.68%	94.84
8	MedAssist Holding LLC	16.97%	15,875.10	37.04%	1,906.36	-8.04%	(40.55)	33.01%	1,865.81
9	Firstsource Health Plans and Healthcare Services, LLC	1.02%	955.04	4.35%	224.05	2.47%	12.48	4.19%	236.53
10	One Advantage LLC	0.36%	336.26	6.18%	317.93	0.51%	2.59	5.67%	320.52
11	Sourcepoint Fulfillment Services, Inc	0.35%	326.52	2.19%	112.74	-0.69%	(3.47)	1.93%	109.27
12	Sourcepoint, Inc.	7.39%	6,916.38	-6.61%	(340.25)	-6.36%	(32.09)	-6.59%	(372.34)
13	PatientMatters, LLC	-4.37%	(4,091.67)	-2.33%	(119.96)	-2.67%	(13.49)	-2.36%	(133.45)

Notes to the Consolidated financial statements

as at and for the year ended March 31, 2024

(₹ in million)

Sr no	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
14	Medical Advocacy Services for Healthcare, Inc	2.75%	2,577.37	-9.46%	(486.74)	1.20%	6.03	-8.51%	(480.71)
15	Kramer Technologies LLC	1.49%	1,394.67	-0.01%	(0.34)	0.04%	0.22	0.00%	(0.12)
16	The StoneHill Group, Inc	0.36%	338.88	2.14%	110.02	-0.02%	(0.10)	1.94%	109.92
17	American Recovery Service Incorporated	1.07%	1,003.85	3.48%	179.18	0.97%	4.91	3.26%	184.09
18	Firstsource Solutions México, S. de R.L. de C.V	-0.16%	(145.68)	-1.43%	(73.79)	-2.05%	(10.33)	-1.49%	(84.12)
19	Firstsource Solutions Jamaica Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
20	Firstsource BPO South Africa (Pty) Limited	0.00%	(0.41)	-0.01%	(0.41)	0.00%	-	-0.01%	(0.41)
21	Firstsource Solutions Australia Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Total	100.00%	93,564.19	100.00%	5,147.25	100.00%	504.42	100.00%	5,651.67
Less:	Minority Interests in all subsidiaries		(3.84)		(0.04)		0.38		0.34
Add:	Adjustments		(56,564.00)		-		-		-
	Total		37,004.03		5,147.29		504.04		5,651.33

30 Computation for calculating diluted earning per share

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Number of shares considered as basic weighted average shares outstanding	**684,300,932**	680,585,300
Add: Effect of potential issue of shares/ stock options *	**17,320,478**	21,075,439
Number of shares considered as weighted average shares and potential shares outstanding	**701,621,410**	701,660,739
Net profit after tax attributable to shareholders	**5,147.29**	5,137.20
Net profit after tax for diluted earnings per share	**5,147.29**	5,137.20

* not considered when anti-dilutive

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Group.

Notes to the Consolidated financial statements
as at and for the year ended March 31, 2024

31 Capital and other commitments and contingent liabilities

(₹ in million)

		March 31, 2024	March 31, 2023
a)	The estimated amount of contracts remaining to be executed on capital account and not provided for (net), against which advances paid are ₹ 38.02 (March 31, 2023: ₹ 0.59)	**495.36**	599.62
b)	Claims not acknowledged as debts	**1.35**	1.35
c)	Guarantees given to the customer and others*	**10.00**	10.00
d)	Outstanding in respect of the Company has a purchase commitment towards Nanobi Data and Analytics Private Limited for the Optionally Convertible Debentures of ₹ 100 per unit of 120,000 units.	**12.00**	12.00

Direct tax matters

Income tax demands amounting to ₹ 1,917.41 (March 31, 2023: ₹ 1,872.94) for the various assessment years are disputed in appeal by the Company in respect of which it has favourable decisions supporting its stand based on the past assessment or otherwise and hence, the provision for taxation is considered adequate. The Company has paid ₹ 10.38 (March 31, 2023: ₹ 10.38) tax under protest against the demand raised for the assessment year 2004-05, ₹ 12.50 (March 31, 2023: ₹ 12.50) tax under protest against the demand raised for the assessment year 2009-10, ₹ 80.00 (March 31, 2023: ₹ 80.00) tax under protest against the demand raised for the assessment year 2011-12, ₹ 5.00 (March 31, 2023: ₹ 5.00) tax under protest against the demand raised for the assessment year 2014-15, ₹ 2.50 (March 31, 2023: ₹ 2.50) tax under protest against the demand raised for the assessment year 2015-16.

Indirect tax matters

Service tax demands amounting to ₹ 192.52 (March 31, 2023: ₹ 192.52) in respect of service tax input credit and FCCB issue expenses is disputed in appeal by the Company. The Company expects favourable appellate decision in this regard.

The Company's pending litigations comprise of claims against the Company and pertaining to proceedings pending with Income tax and service tax. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

*Guarantees given pertain to guarantees given to customers and the Government of India, Customs and Central Excise department towards future duty obligations.

32 Long-term contracts

The Group has a process whereby yearly all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

33 Adoption of amendment to Ind AS 37

On March 23, 2022, the Ministry of Company Affairs notified amendments to certain Indian Accounting Standards vide the Companies (Indian Accounting Standards) Amendment Rules, 2022 ('Rules 2022') effective for annual periods beginning on or after April 1, 2022. The Rules 2022 notified an amendment to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37') – "Onerous Contracts – Cost of Fulfilling a Contract" regarding costs a Company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment extends the definition of cost of fulfilling a contract to include allocation of other costs that relate directly to fulfilling a contract. The adoption of this amendment as at April 1, 2022 has resulted in a reduction of ₹ 783.41 mn (net of deferred tax) in the opening Retained Earnings with a corresponding provision for onerous contracts as prescribed in the Rules 2022.

Notes to the Consolidated financial statements
as at and for the year ended March 31, 2024

34 Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, funds have been contributed by the Company to the RP-Sanjiv Goenka Group CSR Trust ('RPSG CSR Trust') and are to be utilized on the activities which are specified in Schedule VII to the Act. The areas identified by the CSR trust includes activities for promoting healthcare, art / culture, sports and education as the four priority areas to be pursued in phases and in a manner aligned with the CSR rules and regulations. The trust has informed that they are working on an ongoing project to set up school which will offer IB and IGCSE courses.

Gross amount required to be spent by the Company during the year is ₹ 75.30 (March 31, 2023: ₹ 68.36)

(₹ in million)

	March 31, 2024	March 31, 2023
Opening balance	-	40.16
Contribution accrued for the year	**75.30**	68.36
Contribution to RPSG CSR Trust during the year	-	(90.84)
Amount spent by the Company during the year	**(11.00)**	(17.68)
Closing balance payable*	**64.30**	-

*Unspent amount of ₹ 64.30 and ₹ Nil has been transferred to a earmarked special bank account on March 28, 2024 and March 31, 2023 for the year ended March 31, 2024 and March 31, 2023 respectively.

35 Subsequent events

The Board of directors at its meeting held on May 3, 2024 has approved the consolidated financial statements as at and for the year ended March 31, 2024.

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Mumbai
May 3, 2024

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
(DIN 03486121)

Ritesh Idnani
Managing Director and CEO
(DIN 06403188)

Sunil Mitra
Director
(DIN 00113473)

Pradip Kumar Khaitan
Director
(DIN 00004821)

Subrata Talukdar
Director
(DIN 01794978)

Rekha Sethi
Director
(DIN 06809515)

Utsav Parekh
Director
(DIN 00027642)

Anjani K. Agrawal
Director
(DIN 08579812)

T.C. Suseel Kumar
Director
(DIN 06453310)

Vanita Uppal
Director
(DIN 07286115)

Mumbai
May 3, 2024

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)
Statement containing sailent features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(₹ in million)

Sr. NO	Particulars	Firstsource Process Management Services Limited	Firstsource Group USA, Inc.	Firstsource Business Process Services, LLC	Firstsource Advantage LLC	One Advantage LLC	Firstsource Solutions UK Limited	Firstsource Solutions USA LLC	MedAssist Holding, LLC.	Firstsource Health Plans and Healthcare Services, LLC	Firstsource BPO Ireland Ltd	Firstsource-Dialog Solutions (Private) Limited
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024
2	Reporting currency	INR	Dollar	Dollar	Dollar	Dollar	Pound	Dollar	Dollar	Dollar	Euro	LKR
3	Exchange rate	1	83.41	83.41	83.41	83.41	105.03	83.41	83.41	83.41	89.88	0.28
4	Paid-up Share Capital	10.50	21.44	-	0.83	-	297.73	-	-	-	-	1.28
5	Reserves & Surplus	27.11	30,055.50	7,239.57	1,311.37	336.26	4,656.63	-	2,946.10	955.04	13.23	13.48
6	Total Assets	37.74	46,097.54	8,842.42	2,967.18	993.06	12,888.48	-	7,844.78	6,661.91	14.90	15.28
7	Total Liabilities (excluding Capital and Reserves)	0.13	16,020.60	1,602.85	1,654.98	656.80	7,934.12	-	4,898.68	5,706.87	1.67	0.52
8	Investments (excluding Investments in Subsidiaries and Associates)	-	-	-	-	-	-	-	-	-	-	-
9	Total Income*	2.37	8,137.00	1,626.43	6,378.09	1,017.69	20,790.26	-	7,659.58	11,917.52	-	-
10	Profit / (Loss) Before Tax*	2.26	3,695.61	1,626.01	417.29	320.31	783.10	-	1,920.65	225.72	(1.97)	(0.18)
11	Provision for Tax	0.57	376.87	-	-	-	196.51	-	-	-	-	-
12	Profit / (Loss) After Tax*	1.69	3,318.74	1,626.01	417.29	320.31	586.59	-	1,920.65	225.72	(1.97)	(0.18)
13	Proposed Dividend (including Tax thereon)	-	-	-	-	-	-	-	-	-	-	-
14	% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	74%

Sr. NO	Particulars	Firstsource Solution S.A	Sourcepoint, Inc.	Sourcepoint Fulfillment Services, Inc	PatientMatters, LLC	Medical Advocacy Services for Healthcare, Inc	Kramer Technologies LLC	The StoneHill Group,Inc.	American Recovery Service Incorporated	Firstsource Solutions Mexico, S de R.L. de C.V.	Firstsource Solutions Jamaica Limited	Firstsource BPO South Africa (Pty) Limited	Firstsource Solutions Australia Pty Limited
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	01-04-2023 to 31-03-2024	27-09-2023 to 31-03-2024	13-02-2024 to 31-03-2024
2	Reporting currency	-	Dollar	Dollar	Dollar	Dollar	Dollar	Dollar	Dollar	MXN	JMD	ZAR	AUD
3	Exchange rate	0.00	83.41	83.41	83.41	83.41	83.41	83.41	83.41	5.03	0.54	4.37	54.11
4	Paid-up Share Capital	-	6.11	33.43	-	-	-	0.04	0.21	0.50	-	-	-
5	Reserves & Surplus	-	6,910.27	293.32	(4,091.67)	2,577.37	1,394.67	198.71	1,362.91	(146.19)	-	(0.41)	-
6	Total Assets	-	8,876.79	396.83	1,374.03	2,581.45	1,402.37	434.12	1,925.48	194.74	-	2.15	-
7	Total Liabilities (excluding Capital and Reserves)	-	1,960.41	70.08	5,465.70	4.08	7.70	235.37	562.36	340.43	-	2.56	-
8	Investments (excluding Investments in Subsidiaries and Associates)	-	-	-	-	-	-	-	-	-	-	-	-
9	Total Income*	-	4,415.28	541.76	182.52	179.07	-	932.54	4,696.87	462.99	-	-	-
10	Profit / (Loss) Before Tax*	-	(92.58)	113.58	(142.84)	(490.39)	(0.34)	199.17	340.11	(77.61)	-	(0.41)	-
11	Provision for Tax	-	-	-	(21.98)	-	-	-	-	-	-	-	-
12	Profit / (Loss) After Tax*	-	(92.58)	113.58	(120.86)	(490.39)	(0.34)	199.17	340.11	(77.61)	-	(0.41)	-
13	Proposed Dividend (including Tax thereon)	-	-	-	-	-	-	-	-	-	-	-	-
14	% of Shareholding	99.98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note:

*Total Income,Profit/(loss) before tax and Profit/(loss) after tax include intercompany dividend within US Subsidiaries which is eliminated at consolidated financials, and has no impact on consolidated numbers.
Figures mentioned in MedAssist Holding LLC are consolidated figures of MedAssist Holding LLC and Firstsource Solutions USA LLC.

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)
Statement containing sailent features of the financial statement of subsidiaries/associate companies/joint ventures

Part “B”:Associates and Joint Ventures:

(₹ in million)

Sr. NO	Particulars	Nanobi Data and Analytics Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01-04-2023 to 31-03-2024
2	Reporting currency	INR
3	Exchange rate	1
4	Paid-up Share Capital	36.63
5	Reserves & Surplus	(41.62)
6	Total Assets	38.80
7	Total Liabilities (excluding Capital and Reserves)	43.79
8	Investments (excluding Investments in Subsidiaries)	-
9	Total Income	39.45
10	Profit / (Loss) Before Tax	2.52
11	Provision for Tax	0.74
12	Profit / (Loss) After Tax	1.78
13	Proposed Dividend (including Tax thereon)	-
14	% of Shareholding	21.79%

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Mumbai
May 3, 2024

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
(DIN 03486121)

Ritesh Idnani
Managing Director and CEO
(DIN 06403188)

Sunil Mitra
Director
(DIN 00113473)

Pradip Kumar Khaitan
Director
(DIN 00004821)

Subrata Talukdar
Director
(DIN 01794978)

Rekha Sethi
Director
(DIN 06809515)

Utsav Parekh
Director
(DIN 00027642)

Anjani K. Agrawal
Director
(DIN 08579812)

T.C. Suseel Kumar
Director
(DIN 06453310)

Vanita Uppal
Director
(DIN 07286115)

Mumbai
May 3, 2024

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Independent Auditor's Report

To the Members of FIRSTSOURCE SOLUTIONS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Firstsource Solutions Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current financial year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue recognition and measurement in respect of un-invoiced amounts** (Refer Note 9 of the Standalone Financial Statements) The Company, in its contracts with customers, promises to transfer distinct services ("performance obligations") to its customers which may be rendered in the form of customer management, transaction processing (including revenue cycle management in the healthcare industry) and debt collection services.Revenue is recognised based on the pattern of benefits from the performance obligations to the customer in an amount that reflects the consideration received or expected to be received in exchange for the services ("transaction price"). The agreed contractual terms for service deliveries that are based on unit-of-work, time and material or a specified contingency (such as recovery of dues or disbursement of loans) adjusted for rebates, volume discounts, incentives or penalties ("variable consideration"). At each reporting date, revenue is accrued for work performed that may not have been invoiced. Identifying whether the Company's performance has resulted in a billable service that is collectable where the service deliveries have not been acknowledged by customers as of the reporting date involves a fair amount of judgment.	**Principal audit procedures performed included the following:** a. We gained an understanding of the Company's processes in collating the evidence supporting delivery of services for each disaggregated type of revenue. We also obtained an understanding of the design of key controls for quantifying units of services that would be invoiced and the application of appropriate prices for each of such services. b. We have tested the design and operating effectiveness of management's key controls in collating the units of services delivered and in the application of accurate prices for each of such services for a sample of the un-invoiced revenue entries, which included testing of access and change management controls exercised in respect of related accounting information system. c. We have tested a sample of un-invoiced revenue entries with reference to the manual records used for tracking inputs relating to the services delivered to confirm the units of services delivered and contractual rates for the application of appropriate price for each of services. We also tested the adjustments on account of volume discounts and committed service levels of performance. With regard to incentives, our tests were focused to ensure that accruals were restricted to only those items where contingencies were minimal.

Sr. No.	Key Audit Matter	Auditor's Response
	Recognition of revenue before acknowledgment of receipt of services by customer could lead to an over or understatement of revenue and profit, whether intentionally or in error.	d. We have performed substantive analytical procedures to evaluate the reasonableness of un-invoiced revenues recognised. Un-invoiced revenues from fixed fee based service contracts were not significant resulting in lower risk relating to cut off and accuracy. Therefore, we focused our attention on time and unit priced based service contracts in performing substantive analytical procedures. These procedures involved developing sufficiently precise expectations using a plausible and predictable relationship among appropriately disaggregated data. e. We also extended our testing upto the date of approval of the standalone financial statements by the Board of Directors of the Company to verify adjustments, if any, that may have been necessary upon receipt of approvals from customers for services delivered prior to the reporting date and / or collections against those. f. We evaluated the delivery and collection history of customers against whose contracts un-invoiced revenue relating to period more than a month is recognized. g. For the samples selected, we tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost.
2.	**Assessment of recoverability of Minimum Alternate Tax ("MAT") Credit for Special Economic Zone ("SEZ") units** (Refer Note 12 of the Standalone Financial Statements) Under the provisions of the Income Tax Act, 1961, (the "Income Tax Act") Minimum Alternate Tax ("MAT") is payable by companies where 15% (plus applicable surcharge and cess) of its 'book profit' as defined under section 115JB of the Income Tax Act exceeds the income tax payable on the 'total taxable income' computed in accordance with the Income Tax Act. A credit equal to the excess of MAT paid on book profit over the normal income tax payable on the total taxable income is allowed as a credit ("MAT credit"). The MAT credit is allowed to be carried forward for a period of fifteen succeeding assessment years following the assessment year in which the MAT credit becomes allowable. MAT credit can be set off only in the year in which the Company (and consequently the Group) is liable to pay normal income tax on the total taxable income to the extent such tax is in excess of MAT for that year. The Company has recognised deferred tax asset in respect of MAT credit to the extent of ₹2,332.09 million. The Company's evaluation of the recoverability of deferred tax asset in respect of MAT credit requires Management to make significant estimates and assumptions related to forecasts of future taxable profits. Also, a significant portion of the Company's profits in the past have arisen from export of services from delivery centers set up in Special Economic Zones ("SEZ"s). Export profits derived from SEZs are entitled to a 100% deduction in determining the total taxable income for the first five years. The deduction is reduced to 50% for the next ten years (subject to meeting certain additional conditions in the last five years). We identified this as a key audit matter after considering, the proportion of export profits and the tax benefits attached to export profits from SEZs and forecast of future total taxable income involves significant subjective judgement.	**Principal audit procedures performed** We obtained the projections compiled by the management and performed audit procedures related to forecasts of future taxable profits and operating margin: a. We evaluated the design of internal controls and tested the operating effectiveness of internal controls over the forecasts of future revenue, operating margin, taxable profits and the key assumptions used at the year end. b. We evaluated management's ability to reasonably forecast future revenues, operating margins and taxable profits by comparing the actual results to management's historical forecast by delivery centres (including the ratio of deliveries from SEZs and Non-SEZ centres) to arrive at forecast tax liabilities. c. We performed a sensitivity analysis on the key assumptions to assess their impact on the Company's determination that the MAT was realisable.

Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors including Annexures thereto, Management Discussion and Analysis report, Business Responsibility report and report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 standalone financial statements.

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 statements, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Company's ability 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 standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 statements.

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 controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirements of audit trail as stated in paragraph (i)(vi) below.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. With respect of dividend declared and paid:

a. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

b. The Company has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail was enabled at the database level for accounting software to log any direct data changes.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
(UDIN:24039826BKCOEF3075)

Mumbai, 3 May 2024

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act") of Firstsource Solutions Limited

We have audited the internal financial controls with reference to standalone financial statements of Firstsource Solutions Limited (the "Company") as at 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

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

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
Mumbai, 3 May 2024 (UDIN:24039826BKCOEF3075)

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment:

(a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment, Capital Work-in-Progress and the relevant details of its Right-of-Use assets.

B. The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The property, plant and equipment, capital work in progress and right-of-use assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company). Hence reporting under paragraph 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of the Company's inventories:

(a) The Company is in the business of rendering services and consequently does not hold any physical inventories. Accordingly, the provisions of paragraph 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned any working capital facility by banks or financial institutions during the year on the basis of security of its current assets.

iii. The Company has granted loans and provided guarantees to parties listed in (a) below, during the year, in respect of which:

(a) The details of the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees are tabulated below:

Particulars	Loans	Guarantees
Aggregate amount granted/ provided during the year		
Subsidiaries:	-	-
Other Parties:		
Employees	93.17	-
Balance outstanding as at balance sheet date		
Subsidiaries:		
- Firstsource Solution UK Limited	-	2,415.75
- Firstsource Group USA, Inc.	-	13,595.02
Other Parties:		
Employees	103.87	

The Company has not provided security nor has it granted any advances in the nature of loans to any other entity during the year.

(b) The investments made, terms and conditions for grant of loans and guarantees provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amount and receipt of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date. Therefore reporting under the provisions of paragraph 3(iii)(d) is not applicable.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us and based on the audit procedures performed, the

Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under paragraph 3(iii)(f) is not applicable.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under paragraph 3(v) of the Order is not applicable.

vi. The maintainence of cost records has not been specified for the activities of the Company by the Central Government under section 148 (1) of the Companies Act, 2013.

vii. In respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues payable on account of duty of customs and duty of excise.

(b) There were no undisputed amounts payable in respect of Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2024 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where the dispute is pending	Financial years to which the dispute relates	₹ million
Income Tax Act,1961	Income Tax	Assistant Commissioner of Income Tax	2009-10, 2010-11, 2011-12	452.27
	Income Tax	Commissioner of Income Tax (Appeals)	2008-09, 2012-13, 2013-14 2015-16, 2016-17,2017-18, 2019-20, 2020-21	460.74
	Income Tax	Income Tax Appellate Tribunal	2008-09, 2010-11, 2013-14, 2014-15	247.57
Internal Revenue Code, Philippines	Income Tax, Withholding Tax and Value Added Tax	Court of Tax Appeals	2014-15	756.83
Finance Act, 1994	Service Tax	Commissioner of Service Tax	2006 to 2017	192.52

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. With respect to reporting requirements of paragraph 3(ix) of the Order:

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which the loan were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate company. The Company does not have any joint venture.

(f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries or associate company.

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, reporting under paragraph 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally). Therefore, reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when determining the nature, timing and extent of our audit procedures.

xii. In our opinion, the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company has complied with the provisions of section 177 and 188 of the Act, for all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. During the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi) (b) and (c) of the Order is not applicable.

(b) The Group has more than one Core Investment Company (CIC) as part of the Group. There are 4 CIC forming part of the group.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility ('CSR') on other than ongoing projects requiring transfer to a Fund specified in Schedule VII to the Act, in compliance with section 135(5) of the Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount towards CSR, to a special account within a period of 30 days from the end of the financial year, in compliance with the provisions of section 135(6) of the Act.

xxi. According to the information and explanations given to us and based on the report issued by the auditor of the subsidiary included in the consolidated financial statements of the Company, to which reporting on matters specified in paragraph 3 and 4 of the Order is applicable, provided to us by the Management of the Company, we have not identified any qualifications or adverse remarks made by the auditor in its report on matters specified in paragraphs 3 and 4 of the Order.

However, with respect to an associate, viz., Nanobi Data and Analytics Private Limited (U72200KA2012PTC062235) included in the consolidated financial statements of the Company, as the audit (under section 143 of the Act) of the associate has not yet been completed, the report of the auditor covering matters specified in paragraphs 3 and 4 of the Order, was not provided to us.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

SANJIV V. PILGAONKAR

Partner

(Membership No. 39826)

Mumbai, 3 May 2024

(UDIN:24039826BKCOEF3075)

Standalone Balance Sheet

as at March 31, 2024

(₹ in million)

	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(i)	**868.49**	713.75
Capital work-in-progress	3(ii)	**136.30**	34.24
Right-of-use assets	4	**3,097.92**	1,221.98
Goodwill		**40.14**	40.14
Other intangible assets	5	**49.48**	104.57
Financial assets			
Investments	6(i)	**12,350.66**	12,323.62
Other financial assets	7(i)	**652.82**	335.17
Other non-current assets	8(i)	**49.77**	40.04
Deferred tax assets (net)	12	**2,845.57**	2,804.66
Income tax assets (net)	12	**746.34**	762.10
Total non-current assets		**20,837.49**	18,380.27
Current assets			
Financial assets			
Investments	6(ii)	**300.27**	560.48
Trade receivables	9		
- Billed		**7,155.75**	6,177.26
- Unbilled		**137.48**	197.33
Cash and cash equivalents	10	**414.14**	174.61
Other balances with banks	11	**103.86**	40.14
Other financial assets	7(ii)	**79.12**	38.07
Other current assets	8(ii)	**617.91**	623.82
Total current assets		**8,808.53**	7,811.71
Total assets		**29,646.02**	26,191.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**6,969.91**	6,969.91
Other equity	14	**17,137.36**	16,073.61
Total equity		**24,107.27**	23,043.52
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Long-term borrowings	15(i)	**42.17**	37.85
Lease liabilities		**2,835.82**	1,127.36
Other financial liabilities	17(i)	**-**	32.32
Provisions for employee benefits	18(i)	**187.79**	137.03
Total non-current liabilities		**3,065.78**	1,334.56
Current liabilities			
Financial liabilities			
Short-term borrowings	15(ii)	**32.16**	43.85
Trade payables	16	**898.09**	528.30
Lease liabilities		**644.78**	369.79
Other financial liabilities	17(ii)	**608.57**	640.03
Provisions for employee benefits	18(ii)	**126.56**	116.25
Other current liabilities	19	**152.87**	115.68
Provision for tax (net)	12	**9.94**	-
Total current liabilities		**2,472.97**	1,813.90
Total equity and liabilities		**29,646.02**	26,191.98
Material accounting policies	2		

The accompanying notes from 1 to 36 are an integral part of these financial statements.

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
(DIN 03486121)

Ritesh Idnani
Managing Director and CEO
(DIN 06403188)

Sunil Mitra
Director
(DIN 00113473)

Pradip Kumar Khaitan
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Vanita Uppal
Director
(DIN 07286115)

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Standalone statement of profit and loss

for the year ended March 31, 2024

(₹ in million)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	20	**16,011.47**	13,757.00
Other income, net	21	**365.84**	337.44
Total income		**16,377.31**	14,094.44
EXPENSES			
Cost of materials consumed			
Employee benefits expenses	22	**8,211.46**	7,126.93
Finance costs	23	**173.35**	149.41
Depreciation and amortization expenses	3,4&5	**920.36**	888.38
Other expenses	24	**3,273.14**	2,819.17
Total expenses		**12,578.31**	10,983.89
Profit before tax		**3,799.00**	3,110.55
Tax expense			
Current tax		**680.02**	564.66
Deferred tax		**(78.01)**	62.47
Profit for the year		**3,196.99**	2,483.42
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement of the net defined benefit liability/asset		**6.46**	36.34
Items that will be reclassified subsequently to the statement of profit and loss			
Net changes in fair value on derivatives designated as cash flow hedges		**223.17**	(464.59)
Deferred tax on items that will be reclassified to statement of profit and loss		**(37.10)**	75.58
Exchange difference on translation of foreign operations		**(10.02)**	10.63
Total other comprehensive income, net of taxes		**182.51**	(342.04)
Total comprehensive income for the year		**3,379.50**	2,141.38
Weighted average number of equity shares outstanding during the year			
Basic	30	**684,300,932**	680,585,300
Diluted	30	**701,621,410**	701,660,739
Earnings per equity share			
Basic	30	**4.67**	3.65
Diluted	30	**4.56**	3.54
Material accounting policies	2		

The accompanying notes from 1 to 36 are an integral part of these financial statements.

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
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Company Secretary

Dinesh Jain
President and CFO

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Standalone statement of changes in equity

as at and for the year ended March 31, 2024

(₹ in million)

	Equity share capital	Share application money pending allotment	Treasury shares	Amalgamation deficit reserve	Special Economic Zone re-investment reserve	Securities premium	Other reserve	Retained earnings	Employee stock option reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation	Total
		Attributable to owners of the Company										
				Reserve and surplus						Items of other comprehensive income		
Balance as at April 1, 2023	6,969.91	-	(1,158.14)	(1,136.72)	15.28	2,290.48	30.68	15,241.85	651.66	(89.08)	227.60	23,043.52
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	6.46	-	186.07	(10.02)	182.51
Profit for the year	-	-	-	-	-	-	-	3,196.99	-	-	-	3,196.99
Dividend (net)	-	-	-	-	-	-	-	(2,405.94)	-	-	-	(2,405.94)
Share based payments	-	-	-	-	-	-	-	-	31.34	-	-	31.34
Treasury shares	-	-	450.41	-	-	-	-	(188.31)	(203.25)	-	-	58.85
Utilised from Special Economic Zone re-investment reserve	-	-	-	-	(15.28)	-	-	15.28	-	-	-	-
Transfer to retained earning for options forfeited	-	-	-	-	-		-	9.16	(9.16)	-	-	-
Balance as at March 31, 2024	6,969.91	-	(707.73)	(1,136.72)	-	2,290.48	30.68	15,875.49	470.59	96.99	217.58	24,107.27

Standalone statement of changes in equity

as at and for the year ended March 31, 2024

(₹ in million)

	Equity share capital	Share application money pending allotment	Treasury shares	Amalgamation deficit reserve	Special Economic Zone re-investment reserve	Securities premium	Other reserve	Retained earnings	Employee stock option reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation	Total
		Attributable to owners of the Company										
				Reserve and surplus						Items of other comprehensive income		
Balance as at April 1, 2022	6,969.91	-	(1,198.25)	(1,136.72)	-	2,290.48	30.68	15,210.92	514.33	299.93	216.97	23,198.25
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	36.34	-	(389.01)	10.63	(342.04)
Profit for the year	-	-	-	-	-	-	-	2,483.42	-	-	-	2,483.42
Dividend (including tax on dividend)	-	-	-	-	-	-	-	(2,384.45)	-	-	-	(2,384.45)
Share based payments	-	-	-	-	-	-	-	-	227.92	-	-	227.92
Treasury shares, net	-	-	40.11	-	-	-	-	(99.69)	(80.00)	-	-	(139.58)
Transfer to Special Economic Zone re-investment reserve	-	-	-	-	32.74	-	-	(32.74)	-	-	-	-
Utilised from Special Economic Zone re-investment reserve	-	-	-	-	(17.46)	-	-	17.46	-	-	-	-
Transfer to retained earning for options forfeited	-	-	-	-	-	-	-	10.59	(10.59)	-	-	-
Balance as at March 31, 2023	6,969.91	-	(1,158.14)	(1,136.72)	15.28	2,290.48	30.68	15,241.85	651.66	(89.08)	227.60	23,043.52

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

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Membership No: 39826

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Vanita Uppal
Director
(DIN 07286115)

Dinesh Jain
President and CFO

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Standalone statement of cash flows

for the year ended March 31, 2024

(₹ in million)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Net Profit before taxation	**3,799.00**	3,110.55
Adjustments for		
Depreciation and amortisation	**920.36**	888.38
Allowance for expected credit loss / bad debt written off, net	**0.42**	5.12
Loss / (profit) on sale of Property Plant and Equipment	**12.72**	(3.12)
Foreign exchange loss / (gain) , net unrealised	**(23.89)**	(183.11)
Finance costs	**173.35**	149.41
Interest income	**(7.72)**	(10.18)
Profit on sale / redemption of investments	**(61.35)**	(45.63)
Provision on diminution of value of Investment	**8.04**	-
Employee stock compensation expense	**21.65**	59.07
Operating cash flow before changes in working capital	**4,842.58**	3,970.49
Changes in working capital		
(Increase) in trade receivables	**(903.20)**	(985.91)
(Increase) / decrease in loans and advances and other assets	**(266.04)**	457.61
Increase / (decrease) in liabilities and provisions	**456.65**	(146.73)
Net changes in working capital	**(712.59)**	(675.03)
Income taxes paid	**(654.32)**	(593.55)
Net cash generated from operating activities (A)	**3,475.67**	2,701.91
Cash flow from investing activities		
Purchase of current investments	**(16,841.73)**	(14,521.92)
Proceeds from sale of current investments	**17,163.29**	15,158.93
Interest income received	**7.72**	10.18
Purchase of property plant and equipment	**(529.16)**	(222.79)
Proceeds from sale of property plant and equipment	**0.61**	16.98
Earmarked funds placed with banks	**(63.72)**	30.00
Net cash (used in) / generated from investing activities (B)	**(262.99)**	471.38
Cash flow from financing activities		
Proceeds from long term borrowings	**41.16**	50.49
Repayment of long term borrowings	**(48.53)**	(83.90)
Interest paid on leased liabilities and other borrowings	**(173.35)**	(149.41)
Purchase of treasury shares, net	**58.85**	(139.58)
Repayment of lease liabilities	**(444.17)**	(483.17)
Dividend paid (net)	**(2,405.94)**	(2,384.45)
Net cash (used in) financing activities (C)	**(2,971.98)**	(3,190.02)
Net increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)	**240.70**	(16.73)
Cash and cash equivalents at the beginning of the year	**174.61**	189.23
Foreign exchange (loss) / gain on translating Cash and cash equivalents	**(1.17)**	2.11
Cash and cash equivalents at the end of the year	**414.14**	174.61

Standalone statement of cash flows

for the year ended March 31, 2024

Notes to the cash flow statement

Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

(₹ in million)

	March 31, 2024	March 31, 2023
Balances with banks		
- in current accounts	**183.19**	174.61
Remittance in-transit	**230.95**	-
Cash and cash equivalents	**414.14**	174.61

Reconciliation of liabilities from financing activities for the year ended 31 March 2024

(₹ in million)

Particulars	As at March 31, 2023	Proceeds	Repayment	Effects of change in Foreign exchange	As at March 31, 2024
Long Term Borrowings	**81.70**	**41.16**	**(48.53)**	**-**	**74.33**
Total Liabilities from financing activities	**81.70**	**41.16**	**(48.53)**	**-**	**74.33**

Reconciliation of liabilities from financing activities for the year ended 31 March 2023

(₹ in million)

Particulars	As at March 31, 2022	Proceeds	Repayment	Effects of change in Foreign exchange	As at March 31, 2023
Long Term Borrowings	115.11	50.49	(83.90)	-	81.70
Total Liabilities from financing activities	115.11	50.49	(83.90)	-	81.70

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Sanjiv V. Pilgaonkar
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Membership No: 39826

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(DIN 00074796)

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(DIN 07286115)

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

Notes to the Standalone financial statements

for the year ended March 31, 2024

1 Company overview

Firstsource Solutions Limited ('the Company') was incorporated on December 6, 2001. The Company is engaged in the business of providing customer management services like contact center, transaction processing and debt collection services including revenue cycle management in the healthcare industry.

The Company is a public limited company incorporated and domiciled in India having registered office at Mumbai, Maharashtra, India. The Company is listed on the Bombay Stock Exchange and National Stock Exchange in India.

The Company's standalone financial statements are approved for issue by the Board of Directors on May 3, 2024.

Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standards, under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereunder.

The list of entities with percentage holding is as below:

Subsidiaries / Entities	Country of incorporation and other particulars	Percentage of holding by voting rights	Year of consolidation
Firstsource Solutions UK Limited (FSL UK)	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of United Kingdom.	100%	2002-2003
Firstsource Solutions S.A. (FSL-Arg)	A subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of Argentina.	99.98%	2006-2007
Firstsource BPO Ireland Limited (FSL Ireland)	A subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of Ireland.	100%	2011-2012
Firstsource Dialog Solutions (Private) Limited (FDS)	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of Sri Lanka.	74%	2011-2012
Firstsource Process Management Services Limited (FPMSL)	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of India.	100%	2010-2011
Firstsource Group USA, Inc. (FG US)	A subsidiary of Firstsource Solutions Limited, incorporated in the State of Delaware, USA.	100%	2009-2010
Firstsource Business Process Services, LLC (FBPS)	A subsidiary of FG US, incorporated in the State of Delaware, USA.	100%	2009-2010
Firstsource Advantage LLC (FAL)	A subsidiary of FBPS, incorporated under the laws of the State of New York, USA.	100%	2004-2005
One Advantage LLC (OAL)	A subsidiary of FBPS, incorporated in the state of Delaware, USA.	100%	2014-2015
Medassist Holding LLC (MedAssist)	A subsidiary of FG US, incorporated under the laws of the State of Delaware, USA.	100%	2014-2015
Firstsource Solutions USA LLC	A subsidiary of MedAssist, incorporated in the State of Delaware, USA.	100%	2009-2010
Firstsource Health Plans and Healthcare Services, LLC	A subsidiary of Firstsource Solutions USA LLC, incorporated under the laws of the State of Delaware, USA.	100%	2011-2012
Sourcepoint, Inc	A subsidiary of FG US, incorporated in the State of Delaware, USA.	100%	2016-2017
Sourcepoint Fulfillment Services, Inc. (Sourcepoint FFS)	A subsidiary of Sourcepoint, Inc.	100%	2016-2017
PatientMatters, LLC (PM)	A subsidiary of Firstsource Solutions USA LLC, incorporated in the State of Delaware, USA	100%	2020-2021
Medical Advocacy Services for Healthcare, Inc (MASH)	A subsidiary of PatientMatters, LLC, incorporated in the State of Texas, USA	100%	2020-2021
Kramer Technologies LLC (KT)	A subsidiary of PatientMatters, LLC, incorporated in the State of Delaware, USA	100%	2020-2021
The StoneHill Group, Inc	A subsidiary of Sourcepoint, Inc.incorporated in the State of Georgia, USA	100%	2021-2022
American Recovery Service Incorporated	A subsidiary of FBPS incorporated in the State of California, USA	100%	2021-2022
Firstsource Solutions México, S. de R.L. de C.V	A subsidiary of FG US, incorporated in the city of Monterrey, Mexico.	100%	2021-2022
Firstsource Solutions Jamaica Limited	A subsidiary of FG US, incorporated in the state of Jamaica (incorporated w.e.f. April 13, 2022)	100%	2022-2023
Firstsource Employee Benefit Trust	A trust of Firstsource Solutions Limited, incorporated under the laws of India.	100%	2019-2020
Firstsource BPO South Africa (Pty) Limited	A subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of South Africa (incorporated w.e.f. September 27, 2023).	100%	2023-2024
Firstsource Solutions Australia Pty Limited	A subsidiary of Firstsource Solutions Limited, incorporated under the laws of Australia (incorporated w.e.f. February 13, 2024).	100%	2023-2024
Nanobi Data and Analytics Private Limited (Nanobi)	Associate of the Company.	21.79%	2016-2017

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

2 Material accounting policies

2.1 Statement of compliance

The financial statements (herein referred as 'financial statements') of Firstsource Solutions Limited ('the Company') are prepared in accordance with Ind AS as per the provisions of the Act (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereunder.

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.2.1.

2.2.1 Critical accounting estimates

a Income taxes

The Company's major tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note 2.9.

b Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired, and are reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and identification of lease requires significant judgement. Ind AS 116 additionally requires lessees to determine the lease term as the non-cancellable period of lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future periods is reassessed to ensure the lease term reflects the current economic circumstances.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

d Impairment of goodwill

Goodwill is tested for impairment at each reporting period and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience.

2.3 Revenue recognition

The Company, in its contracts with customers, promises to transfer distinct services rendered. Each distinct service, results in a simultaneous benefit to the corresponding customer. Also, the Company has an enforeable right to payment from the customer for the performance completed to date. Revenue from unit price based contracts is measured by multiplying the units of output delivered with the agreed transaction price per unit while in the case of time and material based contracts, revenue is the product of the efforts expended and the agreed transaction price per unit.

The Company continually reassesses the estimated discounts, rebates, price concessions, refunds, credits, incentives, performance bonuses, etc. (variable consideration) against each performance obligation each reporting period and recognises changes to estimated variable consideration as changes to the transaction price (i.e. revenue) of the applicable performance obligation.

Dividend income is recognised when the right to receive dividend is established.

For all instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised immediately in Other Comprehensive Income. Goodwill is measured at cost less accumulated impairment losses.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the property, plant and equipment. Depreciation on property, plant and equipment is provided pro-rata to the period of use based on management's best estimate of useful lives of the assets as summarized below:

Asset category	Useful life (in years)
Tangible assets	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Computers*	2 – 4
Service equipment*	2 – 5
Furniture and fixtures*	2 – 5
Office equipment*	2 – 5
Vehicles	2 – 5

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Act.

Depreciation methods, useful lives and residual values are reviewed periodically at the end of each financial year.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

2.6 Other intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Asset category	Useful life (in years)
Domain name	3
Software*	2 – 4

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Act.

Software purchased is capitalised together with the related hardware and amortised over the best estimate of useful life from the date the asset is available for use. Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalised and amortised over the estimated useful life of the products as determined by the management. This capitalisation is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product. The amortisation of software development costs is allocated on a systematic basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors.

The amortisation period and the amortisation method are reviewed at the end of each reporting period. If the expected useful life of the product is shorter from previous estimates, the amortisation period is changed accordingly.

2.7 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non-financial assets

i Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units ('CGU') or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the statement of profit and loss and is not reversed in the subsequent period.

ii Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.8 Employee benefits

a) Post employment benefits

Gratuity

The Gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognised in other comprehensive income and other components are recognise in the statement of profit and loss. The actual return of portfolio of plan assets in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognised in other comprehensive income. The effects of any plan amendments are recognised in statement of profit and loss.

Defined contribution plans

In accordance with Indian regulations, all employees receive benefits from a Government administered provident fund scheme. This is a defined contribution retirement plan in which both, the Company and the employee contribute at a determined rate. Monthly contributions payable to the provident fund are charged to the statement of profit and loss as incurred.

b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

c) Other long-term employee benefits

Compensated absences

Provision for compensated absences cost is made based on actuarial valuation by an independent actuary.

Where employees of the Company are entitled to compensated absences, the employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

d) Share-based compensation

The Company operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the granting of the options and the discount on the shares granted are recognised as an expense, together with a corresponding increase in equity, over the period in which the performance and / or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (i.e. the vesting date). Non-market vesting conditions are included in assumptions about the number of options

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that are expected to become exercisable. On each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. The impact of the revision of original estimates, if any, is recognised immediately in the Statement of Profit and Loss, with a corresponding adjustment to equity.

2.9 Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period. Current tax and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its overseas branch. The current tax payable is after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recognised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised. Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be recognised.

Tax benefits acquired as part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. All other acquired tax benefits realised are recognised in the statement of profit and loss.

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2.10 Leases

The Company enters into contract as a lessee for assets taken on lease. The Company at the inception of a contract assesses whether the contract contains a lease by conveying the right to control the use of an identified asset for a period of time in exchange for consideration. A Right-of-use asset is recognised representing its Right-of-use the underlying asset for the lease term at the lease commencement date except in case of short term leases with a term of twelve months or less and low value leases which are accounted as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the conditions required by the terms and conditions of the lease, a provision for costs are included in the related Right-of-use asset. The Right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease and if that rate cannot be readily determined the Company uses the incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, variable lease payments, where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Obligation under finance lease are secured by way of hypothecation of underlying fixed assets taken on lease. Lease payments have been disclosed under cash flow from financing activities.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

2.11 Foreign currency

Functional currency and peresentation currency

The financial statements of the Company are presented in the Indian Rupee ('INR') which is also the functional currency of the Company (excluding its foreign branch) whereas the functional currency of the foreign branch is the currency of their country of domicile.. The numbers are rounded off to millions: one million equals to ten lakhs.

Transactions and translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Gains or losses on Revenue from operations including gains or losses on derivative transactions are accounted in other operating income and gains or losses other than on Revenue from operations are accounted in Other Income.

The translation of financial statements of the foreign branch to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity.

2.12 Earnings per equity share

The basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the

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weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

2.13 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects the current market assessment of the time value of money and risk specific to the liability.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Financial instruments

2.14.1 Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

2.14.2 Classification and subsequent measurement

a) Non-derivative financial instruments

i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iv) Financial assets at fair value through profit and loss ('FVTPL')

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

v) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments.

vi) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

b) Derivative financial instruments

Cash flow hedge

The Company designates certain foreign exchange forward, option and future contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

The Company uses hedging instruments that are governed by policies, which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in Other comprehensive income and accumulated under the heading Cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in Other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction is no longer expected to occur; the cumulative gain or loss accumulated in statement of changes in equity is transferred to the statement of profit and loss.

c) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.14.3 De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

2.14.4 Fair value of financial instrument

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

2.15 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17 The Code on Social Security 2020

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

2.18 Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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as at March 31, 2024

3 (i) Property, plant and equipment

(₹ in million)

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at April 1, 2023	996.73	1,049.36	460.98	633.37	229.98	3,370.42
Additions / adjustments during the year	267.05	285.99	24.07	72.04	16.99	666.14
Deletions during the year	(18.76)	(238.45)	(4.41)	(74.43)	(35.20)	(371.25)
Foreign exchange on translation	(5.46)	(1.77)	(1.61)	(1.17)	(0.37)	(10.38)
As at March 31, 2024	1,239.56	1,095.13	479.03	629.81	211.40	3,654.93
Accumulated depreciation / amortization						
As at April 1, 2023	624.79	883.07	408.06	562.80	177.95	2,656.67
Charge for the year	143.29	106.27	19.72	34.86	10.24	314.38
On deletions / adjustments during the year	(14.86)	(52.87)	(3.74)	(69.87)	(35.06)	(176.40)
Foreign exchange on translation	(4.03)	(1.40)	(1.49)	(1.00)	(0.29)	(8.21)
As at March 31, 2024	749.19	935.07	422.55	526.79	152.84	2,786.44
Net block						
As at March 31, 2024	490.37	160.06	56.48	103.02	58.56	868.49
As at March 31, 2023	371.94	166.29	52.92	70.57	52.03	713.75

(₹ in million)

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at April 1, 2022	931.80	1,158.10	468.12	634.93	236.31	3,429.26
Additions / adjustments during the year	82.30	20.17	7.32	28.46	6.43	144.68
Deletions during the year	(28.11)	(132.35)	(17.48)	(30.71)	(15.01)	(223.66)
Foreign exchange on translation	10.74	3.44	3.02	0.69	2.25	20.14
As at March 31, 2023	996.73	1,049.36	460.98	633.37	229.98	3,370.42
Accumulated depreciation / amortization						
As at April 1, 2022	515.91	870.89	396.29	550.31	188.42	2,521.82
Charge for the year	121.80	137.53	24.28	39.31	3.34	326.26
On deletions / adjustments during the year	(20.62)	(128.01)	(12.98)	(28.70)	(14.35)	(204.66)
Foreign exchange on translation	7.70	2.66	0.47	1.88	0.54	13.25
As at March 31, 2023	624.79	883.07	408.06	562.80	177.95	2,656.67
Net block						
As at March 31, 2023	371.94	166.29	52.92	70.57	52.03	713.75
As at March 31, 2022	415.89	287.21	71.83	84.62	47.89	907.44

(ii) Capital work-in-progress

(₹ in million)

	March 31, 2024	March 31, 2023
Capital work-in-progress	136.30	34.24
	136.30	34.24

All Capital work-in-progress have ageing of less than 6 months and completion is not due.

Notes to the Standalone financial statements

as at March 31, 2024

4 Leases

The details of Right-of-use assets held by the Company are as follows:

(₹ in million)

Particulars	As at April 1, 2023	Addition during the year	Deletions during the year	Depreciation for the year	Foreign exchange on translation	Net Carrying value as at March 31, 2024
Leasehold properties	1,181.69	2,415.27	(38.15)	(507.32)	(1.97)	3,049.52
Service equipment	27.81	32.24	-	(18.97)	-	41.08
Vehicles	12.48	-	-	(5.16)	-	7.32
	1,221.98	2,447.51	(38.15)	(531.45)	(1.97)	3,097.92

(₹ in million)

Particulars	As at April 1, 2022	Addition during the year	Deletions during the year	Depreciation for the year	Foreign exchange on translation	Net Carrying value as at March 31, 2023
Leasehold properties	2,049.86	137.51	(544.03)	(465.53)	3.88	1,181.69
Service equipment	21.62	17.39	-	(11.20)	-	27.81
Vehicles	1.50	15.49	-	(4.51)	-	12.48
	2,072.98	170.39	(544.03)	(481.24)	3.88	1,221.98

Rent includes expense towards short term lease payments amounting to ₹ 27.41 (March 31, 2023: ₹ 25.68), expense towards low value leases assets amounting to ₹ 341.12 (March 31, 2023: ₹ 331.00) and common area maintainence for leased properties amounting to ₹ 136.89 (March 31, 2023: ₹ 124.45) during the year ended March 31, 2024.

5 Other intangible assets

(₹ in million)

	Domain name	Software	Total
Gross block			
As at April 1, 2023	6.72	884.88	891.60
Additions	-	20.73	20.73
Deletions during the year	-	(12.40)	(12.40)
Foreign exchange on translation	-	(0.35)	(0.35)
As at March 31, 2024	6.72	892.86	899.58
Accumulated depreciation / amortization			
As at April 1, 2023	6.72	780.31	787.03
Charge for the year	-	74.53	74.53
On deletions	-	(11.17)	(11.17)
Foreign exchange on translation	-	(0.29)	(0.29)
As at March 31, 2024	6.72	843.38	850.10
Net block			
As at March 31, 2024	-	49.48	49.48
As at March 31, 2023	-	104.57	104.57

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as at March 31, 2024

(₹ in million)

	Domain name	Software	Total
Gross block			
As at April 1, 2022	6.72	807.94	814.66
Additions	-	79.04	79.04
Deletions during the year	-	(2.76)	(2.76)
Foreign exchange on translation	-	0.66	0.66
As at March 31, 2023	6.72	884.88	891.60
Accumulated depreciation / amortization			
As at April 1, 2022	6.72	701.63	708.35
Charge for the year	-	80.88	80.88
On deletions	-	(2.76)	(2.76)
Foreign exchange on translation	-	0.56	0.56
As at March 31, 2023	6.72	780.31	787.03
Net block			
As at March 31, 2023	-	104.57	104.57
As at March 31, 2022	-	106.31	106.31

6 Investments

(i) Non-current

(₹ in million)

	March 31, 2024	March 31, 2023
Unquoted		
Investments carried at cost (Investment in equity instruments of subsidiaries)		
218,483 (March 31, 2023: 218,483) fully paid-up common stock of USD 1 each of Firstsource Group USA Inc.#	12,079.45	12,058.47
2,834,672 (March 31, 2023: 2,834,672) fully paid up equity shares of GBP 1 each of Firstsource Solutions UK Limited#	112.97	98.34
1,050,000 (March 31, 2023: 1,050,000) fully paid-up common stock of ₹ 10 each of Firstsource Process Management Services Limited	100.50	100.50
3,411,785 (March 31, 2023: 3,411,785) fully paid-up common stock of LKR 10 each of Firstsource Dialog Solutions (Private) Limited	23.09	23.09
	12,316.01	12,280.40
Provision for impairment of investment in Firstsource Dialog Solutions (Private) Limited and Firstsource Process Management Services Limited	(80.48)	(72.44)
	12,235.53	12,207.96
Investment in associate		
- **at cost**		
1,000 (March 31, 2023: 1,000) fully paid equity shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	0.08	0.08
838,705 (March 31, 2023: 838,705) fully paid compulsorily convertible cumulative preference shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	87.92	87.92
At amortised cost		
Philippines treasury bills*	27.13	27.66
	115.13	115.66
	12,350.66	12,323.62

*These securities have been earmarked in favor of Securities and exchange commission, Philippines in compliance with Corporation Code of Philippines.

#includes ESOP cost pertaining to employees of the overseas subsidiaries.

Notes to the Standalone financial statements
as at March 31, 2024

(ii) Current

(₹ in million)

	March 31, 2024	March 31, 2023
Investments carried at fair value through statement of profit and loss		
Mutual and other funds (quoted)	300.27	560.48
	300.27	560.48

7 Other financial assets

(₹ in million)

	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
(i) Other non-current financial assets		
Deposits	507.98	292.18
Foreign currency forward contracts (net)	96.89	-
Lease rentals receivable	47.95	42.99
	652.82	335.17
(ii) Other current financial assets		
Foreign currency forward contracts (net)	23.20	-
Lease rentals receivable	26.81	21.24
Loans and advances to employees	29.11	16.83
	79.12	38.07

8 Other assets

(₹ in million)

	March 31, 2024	March 31, 2023
(Unsecured, considered good)		
(i) Other non-current assets		
Capital advances	29.76	0.59
Prepaid expenses	2.69	9.92
Deferred contract cost	17.32	29.53
	49.77	40.04
(ii) Other current assets		
Prepaid expenses	223.71	235.85
Indirect tax recoverable	272.61	275.21
Other advances	109.39	100.33
Deferred contract cost	12.20	12.43
	617.91	623.82

9 Trade receivables

(₹ in million)

	March 31, 2024	March 31, 2023
(Unsecured)		
Billed		
Considered doubtful	5.53	5.11
Less: Allowance for expected credit loss	5.53	5.11
	-	-
Considered good	7,155.75	6,177.26
	7,155.75	6,177.26
Unbilled		
Unbilled revenues	137.48	197.33
	137.48	197.33

a) Trade receivables are non-interest bearing and there are no trade receivables with a significant increase in credit risk as well as disputed trade receivables.

Notes to the Standalone financial statements
as at March 31, 2024

Trade receivables Ageing Schedule

As at March 31, 2024

(₹ in million)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – considered good	2,851.46	4,237.96	66.33	-	-	-	7,155.75
Undisputed Trade receivable – considered doubtful	-	-	-	5.53	-	-	5.53
Total	2,851.46	4,237.96	66.33	5.53	-	-	7,161.28

As at March 31, 2023

(₹ in million)

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – considered good	1,774.74	4,402.52	-	-	-	-	6,177.26
Undisputed Trade receivable – considered doubtful	-	-	5.11	-	-	-	5.11
Total	1,774.74	4,402.52	5.11	-	-	-	6,182.37

10 Cash and cash equivalents

(₹ in million)

	March 31, 2024	March 31, 2023
Balances with banks		
- in current accounts	183.19	174.61
Remittances-in-transit	230.95	-
	414.14	174.61

11 Other balances with banks

(₹ in million)

	March 31, 2024	March 31, 2023
Earmarked balances with banks towards		
- unclaimed dividend	39.56	40.14
- corporate social responsibility - unspent	64.30	-
	103.86	40.14

Notes to the Standalone financial statements
as at March 31, 2024

12 Taxation

As at March 31, 2024

(₹ in million)

	Opening balance	Recognised in Profit and loss	Recognised in Other Comprehensive Income and exchange	Closing Balance
Deferred tax asset on account of:				
Property, plant and equipment and intangibles	239.44	91.58	-	331.02
Employee stock options	72.84	(27.45)	-	45.39
Other employee benefits payable	58.80	6.81	-	65.61
Unused tax losses	6.85	-	-	6.85
Minimum alternate tax credit carried forward	2,348.93	(16.84)	-	2,332.09
Lease Liabilities	59.63	23.91	-	83.54
Foreign currency forward contracts	18.17	-	(37.10)	(18.93)
	2,804.66	78.01	(37.10)	2,845.57

As at March 31, 2023

(₹ in million)

	Opening balance	Recognised in Profit and loss	Recognised in Other Comprehensive Income and exchange	Closing Balance
Deferred tax asset on account of:				
Property, plant and equipment and intangibles	207.22	32.22	-	239.44
Employee stock options	113.12	(40.28)	-	72.84
Other employee benefits payable	57.74	1.06	-	58.80
Unused tax losses	6.85	-	-	6.85
Minimum alternate tax credit carried forward	2,361.57	(12.64)	-	2,348.93
Lease Liabilities	102.48	(42.83)	(0.02)	59.63
Foreign currency forward contracts	(57.41)	-	75.58	18.17
	2,791.57	(62.47)	75.56	2,804.66

(₹ in million)

	March 31, 2024	March 31, 2023
Income tax assets (net)	746.34	762.10
Provision for tax (net)	(9.94)	-
	736.40	762.10

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Profit before income taxes	3,799.00	3,110.55
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	1,327.52	1,086.95
Income Exempt from Tax and Tax Holidays	(699.95)	(475.64)
Expenses not deductible for tax purposes	44.58	5.14
ESOP cost allowed for tax purpose	(54.11)	18.70
Others	(16.03)	(8.02)
Income tax expense	602.01	627.13

Notes to the Standalone financial statements
as at March 31, 2024

13 Share capital

(₹ in million)

	March 31, 2024	March 31, 2023
Authorised		
872,000,000 (March 31, 2023: 872,000,000) equity shares of ₹ 10 each	8,720.00	8,720.00
	8,720.00	8,720.00
Issued, subscribed and paid-up		
696,990,826 (March 31, 2023: 696,990,826) equity shares of ₹ 10 each, fully paid-up	6,969.91	6,969.91
	6,969.91	6,969.91

a) Reconciliation of shares outstanding at the beginning and at the end of the year

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	69,69,90,826	6,969.91	69,69,90,826	6,969.91
At the end of the year	69,69,90,826	6,969.91	69,69,90,826	6,969.91

b) Particulars of shareholders holding more than 5% equity shares

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
RPSG Ventures Limited	37,39,76,673	53.66%	37,39,76,673	53.66%
HDFC Small Cap Fund	5,83,22,707	8.37%	4,74,00,000	6.80%

c) Shares held by holding company

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
RPSG Ventures Limited	37,39,76,673	3,739.77	37,39,76,673	3,739.77

d) Employee stock options

During the year ended March 31, 2024, the Company granted 5,709,000 (March 31, 2023: 3,338,242) options at an exercise price of ₹ 10 (March 31, 2023: ₹ 10.00).

e) Shares reserved for issue under options

13,391,679 (March 31, 2023: 22,309,467) number of shares are reserved for employees for issue under the employee stock options plan (ESOP) amounting to ₹ 133.92 (March 31, 2023: ₹ 223.09).

f) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

g) Dividend

During the year ended March 31, 2024, the Company has declared interim dividend of ₹ 3.50 per share (March 31, 2023: ₹ 3.50), the Company has incurred a net cash outflow of ₹ 2,405.94 million (March 31, 2023: ₹ 2,384.45 million) (excluding dividend paid on treasury shares).

Notes to the Standalone financial statements

as at March 31, 2024

h) Treasury Shares

(₹ in million)

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	15,589,182	1,158.14	17,011,351	1,198.25
Purchased during the year	100,000	18.54	1,930,000	203.07
Allotted during the year	(6,312,282)	(468.95)	(3,352,169)	(243.18)
At the end of the year	9,376,900	707.73	15,589,182	1,158.14

As per Ind AS 32, the consideration paid for treasury shares including any directly attributable incremental costs is presented as a deduction from total equity, until they are cancelled, sold or reissued.

14 Other equity

(₹ in million)

	March 31, 2024	March 31, 2023
Securities premium		
At the commencement of the year	2,290.48	2,290.48
At the end of the year	2,290.48	2,290.48
Amalgamation deficit adjustment reserve	(1,136.72)	(1,136.72)
Treasury shares		
At the commencement of the year	(1,158.14)	(1,198.25)
Add : Movement during the year	450.41	40.11
At the end of the year	(707.73)	(1,158.14)
Other reserve		
At the commencement of the year	30.68	30.68
At the end of the year	30.68	30.68
Special Economic Zone re-investment reserve		
At the commencement of the year	15.28	-
Add : Transfer from Retained Earnings	-	32.74
Less : Transfer to Retained Earning on utilisation	(15.28)	(17.46)
At the end of the year	-	15.28
Employee stock option reserve		
At the commencement of the year	651.66	514.33
Add : Share based payments	31.34	227.92
Less : Treasury shares	(203.25)	(80.00)
Less : Transfer to retained earning for options forfeited	(9.16)	(10.59)
At the end of the year	470.59	651.66
Effective portion of cash flow hedges (Other comprehensive income)		
At the commencement of the year	(89.08)	299.93
Movement during the year	186.07	(389.01)
At the end of the year	96.99	(89.08)
Exchange differences on translating the financial statements of a foreign operation (Other comprehensive income)		
At the commencement of the year	227.60	216.97
Movement during the year	(10.02)	10.63
At the end of the year	217.58	227.60

Notes to the Standalone financial statements

as at March 31, 2024

(₹ in million)

	March 31, 2024	March 31, 2023
Retained earnings		
At the commencement of the year	15,241.85	15,210.92
Add: Net profit for the year	3,196.99	2,483.42
Add: Treasury shares	(188.31)	(99.69)
Add: Other comprehensive income for the year	6.46	36.34
Less: Transfer to Special Economic Zone re-investment reserve	-	(32.74)
Add: Utilised from Special Economic Zone re-investment reserve	15.28	17.46
Less: Dividend (net)	(2,405.94)	(2,384.45)
Add: Transfer to retained earning for options forfeited	9.16	10.59
At the end of the year	15,875.49	15,241.85
Total other equity	17,137.36	16,073.61

15 Borrowings

(₹ in million)

	March 31, 2024	March 31, 2023
(i) Long-term borrowings		
Unsecured		
Loan from Banks (refer note 'a')	42.17	37.85
	42.17	37.85
(ii) Short-term borrowings		
Unsecured		
Current maturities of long-term borrowings		
- Loan from Banks (refer note 'a')	32.16	25.70
- Loan from other parties (refer note 'a')	-	18.15
	32.16	43.85

Note:

a Loans carry interest in the range of 3.03% - 10.14% for a period of 3 - 4 years, repayable in quarterly instalments from the date of its origination. These loans are for equipment and asset financing.

16 Trade Payables

(₹ in million)

	March 31, 2024	March 31, 2023
Trade Payables		
-total outstanding dues of micro enterprises and small enterprises	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	898.09	528.30
	898.09	528.30

Notes to the Standalone financial statements

as at March 31, 2024

Trade payables Ageing Schedule

As at March 31, 2024

(₹ in million)

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	562.02	336.07	-	-	-	898.09
Total	562.02	336.07	-	-	-	898.09

As at March 31, 2023

(₹ in million)

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	477.73	50.57	-	-	-	528.30
Total	477.73	50.57	-	-	-	528.30

There are no disputed dues to MSME and others as on March 31, 2024 and March 31, 2023.

17 Other financial liabilities

(i) Other non current financial liabilities

(₹ in million)

	March 31, 2024	March 31, 2023
Foreign currency forward contracts (net)	-	32.32
	-	32.32

(ii) Other current financial liabilities

(₹ in million)

	March 31, 2024	March 31, 2023
Book credit in bank account	82.47	98.97
Foreign currency forward contracts (net)	-	120.49
Creditors for capital goods	69.03	0.98
Employee benefits payable	235.22	292.96
Payable to subsidiaries	182.19	86.42
Unclaimed dividends	39.66	40.21
	608.57	640.03

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

18 Provision for employee benefits

(i) Non-current

(₹ in million)

	March 31, 2024	March 31, 2023
Gratuity	187.79	137.03
	187.79	137.03

(ii) Current

(₹ in million)

	March 31, 2024	March 31, 2023
Compensated absences	126.56	116.25
	126.56	116.25

19 Other liabilities

(₹ in million)

	March 31, 2024	March 31, 2023
Other current liabilities		
Tax deducted at source	85.44	64.48
Statutory Dues	67.43	51.20
	152.87	115.68

20 Revenue from operations

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Sale of services	15,988.40	13,424.77
Other operating income, net	23.07	332.23
	16,011.47	13,757.00

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 by geography.

(₹ in million)

	BFS*	Healthcare	CMT**	Diverse Industries	Total
UK	1,831.31	-	4,676.80	16.44	6,524.55
USA	4,268.09	3,352.05	1,746.64	33.34	9,400.12
Asia and Rest of World	37.78	0.16	(1.95)	27.74	63.73
Total	6,137.18	3,352.21	6,421.49	77.52	15,988.40

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2023 by geography.

(₹ in million)

	BFS*	Healthcare	CMT**	Diverse Industries	Total
UK	1,503.69	-	3,538.79	6.59	5,049.07
USA	4,544.02	2,679.18	514.93	36.95	7,775.08
Asia and Rest of World	484.65	93.65	11.69	10.63	600.62
Total	6,532.36	2,772.83	4,065.41	54.17	13,424.77

*BFS - Banking and Financial Services

** CMT - Communication, media and Technology

Revenues recognised in excess of invoicing are classified as contract assets (which is referred as unbilled revenues). Changes in contract assets are directly attributable to revenue recognised based on the accounting policy defined and the invoicing done during the year. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the company's performance completed to date.

Notes to the Standalone financial statements

for the year ended March 31, 2024

21 Other income, net

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Profit on sale / redemption of current investments, net	61.35	45.63
Interest income	7.72	10.18
Foreign exchange gain / (loss), net	6.85	(28.82)
(Loss) / gain on sale of fixed assets, net	(12.72)	3.12
Miscellaneous income, net	-	0.92
Provision on diminution of value of Investment	(8.04)	-
Guarantee Commission and other recoveries from subsidiaries	310.68	306.41
	365.84	337.44

22 Employee benefits expenses

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Salaries and wages	7,636.57	6,603.74
Contribution to provident and other funds	418.13	385.31
Staff welfare expenses	128.36	73.21
Employee stock compensation expense	21.65	59.07
Directors' sitting fees	6.75	5.60
	8,211.46	7,126.93

23 Finance costs

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Interest expense		
-on borrowings	-	7.28
-on leased liabilities	173.35	142.13
	173.35	149.41

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

24 Other expenses

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Technology and applications support cost	630.41	635.01
Repairs, maintenance and upkeep	277.54	264.16
Car hire charges	341.75	211.16
Electricity, water and power consumption	189.06	173.53
Connectivity expenses	126.83	171.29
Legal and professional fees	296.63	295.19
Recruitment and training expenses	212.77	144.24
Communication expenses	62.13	72.56
Travel and conveyance	200.66	141.43
Contribution to Corporate Social Responsibility	75.30	68.36
Rent, net (refer note 4)	505.42	481.13
Insurance	120.33	138.04
Meeting and seminar expenses	3.36	3.37
Auditors remuneration and expenses		
- for audit fees	20.00	19.00
- for taxation matters	0.60	0.60
- for other services	5.00	5.00
- for reimbursement of expenses	0.60	0.60
Rates and taxes	19.91	8.93
Bank administration charges	1.42	3.12
Allowance for expected credit loss / bad debts written off, net	0.42	5.12
Miscellaneous expenses, net	183.00	(22.67)
	3,273.14	2,819.17

25 Financial instruments

I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows:

(₹ in million)

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Investments	27.13	300.27	-	327.40	327.40
Trade receivables	7,293.23	-	-	7,293.23	7,293.23
Cash and cash equivalents	414.14	-	-	414.14	414.14
Other balances with banks	103.86	-	-	103.86	103.86
Other financial assets	611.85	4.16	115.93	731.94	731.94
Total	8,450.21	304.43	115.93	8,870.57	8,870.57
Financial liabilities					
Borrowings	74.33	-	-	74.33	74.33
Lease Liabilities	3,480.60	-	-	3,480.60	3,480.60
Other financial liabilities	608.57	-	-	608.57	608.57
Trade payables	898.09	-	-	898.09	898.09
Total	5,061.59	-	-	5,061.59	5,061.59

Notes to the Standalone financial statements

for the year ended March 31, 2024

The carrying value and fair value of financial instruments by categories as at March 31, 2023 were as follows:

(₹ in million)

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Investments	27.66	560.48	-	588.14	588.14
Trade receivables	6,374.59	-	-	6,374.59	6,374.59
Cash and cash equivalents	174.61	-	-	174.61	174.61
Other balances with banks	40.14	-	-	40.14	40.14
Other financial assets	373.24	-	-	373.24	373.24
Total	6,990.24	560.48	-	7,550.72	7,550.72
Financial liabilities					
Borrowings	81.70	-	-	81.70	81.70
Lease Liabilities	1,497.15	-	-	1,497.15	1,497.15
Other financial liabilities	519.54	25.06	127.75	672.35	672.35
Trade payables	528.30	-	-	528.30	528.30
Total	2,626.69	25.06	127.75	2,779.50	2,779.50

II. Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2024:

(₹ in million)

	As of March 31, 2024	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments				
Investment in liquid mutual fund units	**300.27**	**300.27**	**-**	**-**
Other financial assets				
Foreign currency forward contracts	**120.09**	**-**	**120.09**	**-**
Total	**420.36**	**300.27**	**120.09**	**-**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023:

(₹ in million)

	As of March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments				
Investment in liquid mutual fund units	560.48	560.48	-	-
Other financial liabilities				
Foreign currency forward contracts	(152.81)	-	(152.81)	-
Total	407.67	560.48	(152.81)	-

The fair value of other financial assets and liabilities approximate the carrying value.

The fair value of Mutual and other funds is based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The fair value of equity instruments and preference instruments is based on inputs that are not based on observable market data.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

III. Financial risk management:

Financial risk factors:

The Company's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

a) Market risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its services from India for contracts in the overseas geographies, primarily in the United States of America and United Kingdom and purchases from overseas suppliers in foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations may be affected as the Rupee fluctuates against these currencies.

The following table analyzes foreign currency risk as of 31 March 2024:

(₹ in million)

	USD	GBP	PHP	Others*	Total
Total financial assets	**3,595.96**	**3,426.32**	**56.48**	**0.13**	**7,078.89**
Total financial liabilities	**-**	**-**	**232.42**	**-**	**232.42**

*Others includes LKR AUD, etc

The following table analyses foreign currency risk as of 31 March 2023.

(₹ in million)

	USD	GBP	PHP	Others*	Total
Total financial assets	3,508.37	2,643.50	41.33	0.29	6,193.49
Total financial liabilities	-	-	122.88	-	122.88

*Others includes LKR AUD, etc.

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency Firstsource Solutions Limited would result in increase / decrease in the Company's profit before tax approximately ₹ 333.26 for the year ended March 31, 2024 (March 31, 2023: ₹ 300.25).

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding foreign currency forward contracts:

(₹ in million)

	March 31, 2024		March 31, 2023	
	Foreign Currency in millions	In ₹ millions	Foreign Currency in millions	In ₹ millions
Forward and option contracts				
in USD	**100.00**	**8,414.37**	96.85	8,032.69
in GBP	**203.32**	**22,109.85**	86.11	9,039.97
Total		**30,524.22**		17,072.66

The foreign exchange forward contracts mature within sixty months.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

The table below analyzes the derivative financial instruments into relevant maturity grouping based on the remaining period as of the balance sheet date:

(₹ in million)

	March 31, 2024	March 31, 2023
Forward contracts in USD		
Not later than one month	**1,670.33**	2,991.71
Later than one month and not later than three months	**1,958.89**	825.29
Later than three months	**4,785.15**	4,215.69
Total	**8,414.37**	8,032.69
Forward contracts in GBP		
Not later than one month	**1,921.09**	1,629.32
Later than one month and not later than three months	**1,744.69**	807.04
Later than three months	**18,444.07**	6,603.61
Total	**22,109.85**	9,039.97

The movement in Hedging Reserve, for derivatives designated as cash flow hedges is as follows:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	**(89.08)**	299.93
Changes in the fair value of effective portion of cash flow hedges	**223.17**	(464.59)
Deferred tax movement	**(37.10)**	75.58
Balance at the end of the year	**96.99**	(89.08)

The following table summarises approximate gains / (loss) on the Company's other comprehensive income on account of appreciation / depreciation of underlying foreign currencies:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
5% Appreciation of the underlying foreign currencies	**(1,427.51)**	(799.79)
5% Depreciation of the underlying foreign currencies	**1,391.65**	817.33

b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 7,155.75 as at March 31, 2024 (March 31, 2023 : ₹ 6,177.26) and unbilled revenue amounting to ₹ 137.48 as at March 31, 2024 (March 31, 2023 : ₹ 197.33). Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States, United Kingdom, Philippines and other locations. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Notes to the Standalone financial statements

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The following are contractual maturities of Lease Liabilities on an undiscounted basis as at March 31, 2024:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Less than one year	**869.64**	458.54
One to five years	**2,777.16**	1,083.04
More than five years	**543.25**	211.04
Total	**4,190.05**	1,752.62

Future cash outflows in respect of certain leasehold properties to which the Company is potentially exposed as a lessee that are not reflected in the measurement of the lease liabilities include exposures from options of extension and termination. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Management has considered all relevant facts and circumstances that create an economic incentive for the Company as a lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease as at March 31, 2024. The Company shall revise the lease term when there is a change in the facts and circumstances.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023:

(₹ in million)

	March 31, 2024		March 31, 2023	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	**898.09**	**-**	528.30	-
Borrowings	**32.16**	**42.17**	43.85	37.85
Lease Liabilities	**644.78**	**2,835.82**	369.79	1,127.36
Other financial liabilities	**608.57**	**-**	640.03	32.32

Management expects the recoveries from current financial assets as at the year end and the net cash inflows from operations during the ensuing financial year to be sufficient for the Company to be able to meet these obligations of lease and other significant financial liabilities. In addition, the Company also has unused lines of credit.

26 Employee stock option plan

Employee stock option Scheme 2003 ('Scheme 2003')

The Employee Stock Option Scheme 2003 ('the Scheme') approved by the Board of Directors and the members of the Company and administered by the Nomination & Remuneration Committee ('the Committee') is effective 11 October, 2003. The key terms and conditions included in the scheme are in line with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (shared based employee benefits) Regulations, 2014).

As per the Scheme, the Committee issued stock options to the identified employees at an exercise price equal to the fair value on the date of grant and there stock options would vest in tranches over a period of four years as stated below and shall be exercised within a period of ten years from the date of the grant of the options.

Period within which options will vest unto the eligible employee	% of options that will vest
End of 12 months from the date of grant of options	25.00
End of 18 months from the date of grant of options	12.50
End of 24 months from the date of grant of options	12.50
End of 30 months from the date of grant of options	12.50
End of 36 months from the date of grant of options	12.50
End of 42 months from the date of grant of options	12.50
End of 48 months from the date of grant of options	12.50

Notes to the Standalone financial statements

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Firstsource Solutions Limited Employee Stock Option Plan 2019 ('ESOP 2019 PLAN')

"The Company established ESOP 2019 Plan, pursuant to approval of the Board of Directors and the shareholders at the Annual General Meeting on August 2, 2019 and administered by the Committee. The key terms and conditions included in the ESOP 2019 Plan are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended.

As per the ESOP 2019 Plan, the Committee will issue stock options to the identified eligible employees/ director(s) of the Company and its Subsidiaries at an exercise price which will be the face value of the Shares or any higher price which may be decided by the Committee considering the prevailing market conditions and the norms as prescribed by the Securities and Exchange Board of India ('SEBI') and other relevant regulatory authorities. Further the stock options under the said plan would vest & be exercisable in tranches as determined by the Committee.

The ESOP 2019 Plan is proposed to include grants to identified eligible employees under the Long Term Incentive Structure ('LTI'). The LTI will be tenure based or performance based as per the vesting conditions below:

(₹ in million)

Period within which options will vest unto the participant	% of options that will vest	
	Tenure based	Performance based*
End of 12 months from the date of grant of options	25.00	25.00
At the end of every quarter after year 1, till end of year 4 from date of grant	6.25	-
At the end of every year after year1, till end of year 4 from date of grant	-	25.00

*Attainment of options can range between 0% and 150% of tranche eligible for vesting for the respective performance measurement period. Each tranche is separate. Performance and vesting in one period has no bearing on performance and vesting in another period;

Under both the above structures grants will be issued at face value of the shares or any higher price which may be decided by the Committee and will have an exercise period upto ten years as per the Scheme and as determined by the Committee.

The ESOP 2019 Plan shall be implemented by the Firstsource Employee Benefit Trust ('the Trust') which will be administered by the Committee. The Company shall provide financial assistance to the Trust for secondary acquisition of equity shares of the Company for the purpose of implementation of ESOP 2019 Plan. The terms and conditions for the financial assistance provided shall be in Compliance with the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 and SEBI regulations.

During the year ended March 31, 2024, the Trust has purchased 100,000 (31 March 2023: 1,930,000) equity shares through secondary acquisition. As on 31 March 2024, the trust holds 9,376,900 (31 March 2023: 15,589,182) number of equity shares.

GRANTS TO THE MANAGING DIRECTOR & CEO (MD & CEO) UNDER ESOP 2019 PLAN

In view of the Shareholder's approval via postal ballot on October 30, 2023 through a special resolution wherein it was approved that the MD & CEO shall be entitled to participate in the equity based LTI of the Company. Accordingly the Committee on September 1, 2023 has approved the grant of 4,500,000 options under ESOP Plan 2019 at the face value of ₹ 10/- of the shares to the MD and CEO which is performance based structure. The brief details of these grants are mentioned herein below:

A. Grants under Performance Based Structure:

No. of Stock Options	Vesting Date	Vesting Conditions
45,00,000	May 15, 2028	"Continued employment and increase in the Company's compound annual growth rate revenue (CAGR) and earnings before interest and taxes margin (EBIT)** **"

**Performance period may be further defined in consultation with the Nomination & Remuneration Committee.

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Employee stock option activity during the year ended March 31, 2024

A) Under ESOS Scheme 2003 and 2019 are as follows:

Description	Exercise Range	March 31, 2024		March 31, 2023	
		Shares arising out of options	Weighted Average period in months	Shares arising out of options	Weighted Average period in months
Outstanding at the beginning of the year	10.00	20,812,287	104.17	23,441,255	101.11
	10.01 - 60.00	1,046,875	45.71	1,514,988	48.19
	60.01 - 75.00	450,305	77.23	781,712	77.23
		22,309,467		25,737,955	
Granted during the year	10.00	5,709,000		3,338,242	
	10.01 - 60.00	-		-	
	60.01 - 75.00	-		-	
		5,709,000		3,338,242	
Forfeited during the year	10.00	8,093,101		3,307,251	
	10.01 - 60.00	67,500		34,500	
	60.01 - 75.00	73,905		47,810	
		8,234,506		3,389,561	
Exercised during the year*	10.00	5,874,182		2,634,959	
	10.01 - 60.00	333,725		433,613	
	60.01 - 75.00	104,375		283,597	
		6,312,282		3,352,169	
Expired during the year	10.00	-		25,000	
	10.01 - 60.00	80,000		-	
	60.01 - 75.00	-		-	
		80,000		25,000	
Outstanding at the end of the year	10.00	12,554,004	98.60	20,812,287	104.17
	10.01 - 60.00	565,650	24.44	1,046,875	45.71
	60.01 - 75.00	272,025	52.87	450,305	77.23
		13,391,679		22,309,467	
Exercisable at the end of the year	10.00	4,188,151	81.85	3,766,359	102.68
	10.01 - 60.00	565,650	24.44	1,046,875	45.71
	60.01 - 75.00	272,025	52.87	450,305	77.23
		5,025,826		5,263,539	

*The weighted average share price of these options was ₹ 12.26 and ₹ 18.94 for the year ended 31 March 2024 and 31 March 2023 respectively.

The key assumptions used to estimate the fair value of options are:

(₹ in million)

	March 31, 2024	March 31, 2023
Dividend yield	0% to 4%	0% to 4%
Expected Life	2-7 years	2-7 years
Risk free interest rate	6.50% to 9.06%	6.50% to 9.06%
Volatility	0% to 75%	0% to 75%
Model Used	Black & Scholes	Black & Scholes

The expense arises from equity settled share based payment transaction amounting to ₹ 31.34 and ₹ 227.92 for the year ended March 31, 2024 and March 31, 2023 respectively. The cost related to employee stock options of its subsidiary companies is recognised as addition to investment. Accordingly, the amount of ₹ 14.63 and ₹ 13.68 is recognised as investments in Firstsource Solutions UK Limited for the year March 31, 2024 and March 31, 2023 respectively ₹ 20.98 and ₹ 100.43 is recognised as investment in Firstsource Group USA Inc. for the year March 31, 2024 and March 31, 2023 respectively.

Notes to the Standalone financial statements

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27 Related party transactions

Details of related parties including summary of transactions entered into during the year ended March 31, 2024 are summarized below:

Holding Company	RPSG Ventures Limited
Subsidiaries	The related parties where control exists are subsidiaries as referred to in Note 1 to the financial statements.
Associate	Nanobi Data and Analytics Private Limited (Nanobi)
Key Managerial Personnel	Ritesh Idnani (appointed w.e.f. September 1, 2023)
	Vipul Khanna (resigned w.e.f. August 31st, 2023)
	Dinesh Jain
Non - executive Directors	Dr Sanjiv Goenka
	Subrata Talukdar
	Shashwat Goenka
	Pradip Kumar Khaitan
	Pratip Chaudhuri (ceases to be director w.e.f. March 31, 2024)
	Sunil Mitra
	Anjani K. Agrawal
	Vanita Uppal
	Rekha Sethi (appointed w.e.f. September 1, 2023)
	T. C. Suseel Kumar (appointed w.e.f. September 1, 2023)
	Utsav Parekh
Companies under common control (where transactions exists)	RPSG Resources Private Ltd
	CESC Limited
	PCBL Limited

Particulars of related party transactions:

(₹ in million)

Name of the related party	Description	Transaction value during the year ended		Receivable / (Payable) as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
FSL UK	Income from services	**4,943.02**	3,664.91	**3,100.74**	2,347.13
	Reimbursement of expenses to FSL UK	**21.62**	7.79	**-**	-
	Recovery of expense from FSL UK	**188.07**	124.74	**64.59**	20.83
	Parental guarantee commission from FSL UK	**17.47**	24.48	**8.85**	4.27
	Brand Equity	**77.20**	72.58	**37.71**	21.04
FAL	Income from services	**1,302.15**	1,037.62	**568.05**	398.85
	Reimbursement of expenses to FAL	**0.73**	5.32	**-**	-
	Recovery of expense from FAL	**36.23**	18.41	**8.06**	2.32
	Brand Equity	**24.28**	22.71	**5.85**	6.71
MedAssist	Income from services	**141.20**	67.98	**60.27**	11.63
	Reimbursement of expenses to MedAssist	**1.08**	0.25	**-**	-
	Recovery of expense from MedAssist	**84.17**	74.16	**26.93**	11.75
	Brand Equity	**18.77**	37.04	**-**	10.89
FG US	Income from services	**1,994.37**	778.10	**765.96**	682.00
	Reimbursement of expenses to FG US	**17.08**	7.44	**-**	-
	Recovery of expense from FG US	**28.58**	74.04	**(20.20)**	38.35
	Parental guarantee commission from FG US	**98.67**	96.74	**24.81**	24.44
	Brand Equity	**23.15**	1.22	**10.91**	0.43

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Particulars of related party transactions:

(₹ in million)

Name of the related party	Description	Transaction value during the year ended		Receivable / (Payable) as at	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
FHPHS	Income from services	**3,159.47**	2,395.12	**1,016.40**	1,172.81
	Recovery of expense from FHPHS	**72.92**	49.34	**18.94**	1.01
	Reimbursement of expenses to FHPHS	**7.36**	5.53	**-**	-
	Brand Equity	**42.14**	39.83	**11.91**	8.48
OAL	Income from services	**7.47**	5.78	**1.88**	-
	Recovery of expense from OAL	**5.67**	2.70	**1.18**	-
	Brand Equity	**3.54**	3.63	**0.90**	1.00
Sourcepoint - FFS	Income from Services	**94.03**	94.71	**28.06**	37.18
	Recovery of expense from Sourcepoint-FFS	**0.11**	0.61	**0.02**	0.01
	Reimbursement of expenses to Sourcepoint-FFS	**0.06**	0.04	**-**	-
Sourcepoint, Inc	Income from services	**2,495.45**	3,232.87	**962.42**	1,060.69
	Recovery of expense from Sourcepoint, Inc	**26.59**	33.04	**7.54**	9.30
	Reimbursement of expenses to Sourcepoint, Inc	**0.82**	1.47	**-**	-
	Brand Equity	**5.45**	8.16	**1.22**	1.56
PM	Income from services	**0.41**	0.68	**0.09**	0.68
	Recovery of expense from PM	**2.01**	2.43	**0.35**	2.46
Stonehill	Income from services	**14.55**	1.00	**5.79**	-
	Recovery of expense from Stonehill	**4.88**	3.14	**0.65**	-
ARSI	Income from services	**5.31**	9.90	**1.28**	-
	Reimbursement of expenses to ARSI	**-**	4.52	**-**	-
	Recovery of expense from ARSI	**26.29**	4.09	**5.14**	-
Nanobi	Receipt of services from Nanobi	**-**	1.00	**-**	-
RPSG Ventures Limited	Dividend paid	**1,308.92**	1,308.92	**-**	-
APA Services Private Limited	Recovery of expenses	**-**	0.59	**-**	-
CESC Limited	Receipt of services	**-**	0.10	**-**	-
	Recovery of expenses	**0.01**	-	**(0.01)**	-
Spencer's Retail Limited	Income from services	**-**	1.22	**-**	-
PCBL Limited	Recovery of expenses	**1.18**	-	**(0.30)**	-
RPSG Resources Private Ltd	Receipt of services	**103.88**	105.22	**(40.66)**	(32.13)
	Brand Equity	**108.20**	101.35	**(35.86)**	(1.46)
Non-executive directors	Sitting fees	**6.75**	5.60	**-**	-
Key Managerial Personnel	Remuneration*	**82.53**	67.17	**-**	-
	Dividend paid	**1.05**	3.51	**-**	-

The sales to and purchases from related parties are made on terms equivalent to that prevails in arm's length transactions.

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Short-term employee benefits	**71.93**	65.63
Share based payments	**1.05**	3.51
Dividend paid	**10.61**	1.54

*Transactions with key management personnel excludes gratuity and compensated absences.

Notes to the Standalone financial statements

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28 Employee benefits

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, Indian employee who has completed five years or more of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Each year, the Board of Trustees reviews the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, investments are in debt mutual funds. Annual contributions are at a level such that no plan deficits (based on valuation performed) will arise.

a) Gratuity plan

The following table sets out the status of the gratuity plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and fair value of planned assets:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Change in present value of obligations		
Obligations at beginning of the year	**183.91**	166.13
Service cost	**62.83**	77.08
Interest cost	**12.34**	10.13
Actuarial (gain)/loss	**(6.49)**	(36.89)
Benefits paid	**(25.51)**	(32.54)
Obligations at the end of the year	**227.08**	183.91
Change in plan assets		
Fair value of plan assets at beginning of the year	**46.88**	28.67
Return on plan assets excluding interest income	**(0.03)**	(0.55)
Interest income	**2.51**	2.15
Contributions	**15.11**	48.81
Benefits paid	**(25.18)**	(32.20)
Fair value of plan assets at end of the year,	**39.29**	46.88
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligations at the end of the year	**227.08**	183.91
Fair value of plan assets at the end of year	**(39.29)**	(46.88)
Funded status being amount of liability recognised in the balance sheet	**187.79**	137.03
Gratuity cost for the year		
Service cost	**62.83**	77.08
Net Interest cost	**9.83**	7.98
Net gratuity cost	**72.66**	85.06
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	**(6.49)**	(36.89)
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	**0.03**	0.55
Total actuarial (gain)/loss recognized in (OCI)	**(6.46)**	(36.34)

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(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Category of Assets	**Total Amount**	Target Allocation %
Gratuity Fund (LIC of India and Birla Sunlife Insurance Co. Ltd)	**34.36**	**100%**
Total Itemized Assets	**34.36**	**100%**
Assumptions		
Mortality	**IALM (2006-08) Ult.**	IALM (2006-08) Ult.
Interest rate	**7.08%**	7.29%
Rate of growth in salary levels	**6.00%**	6.00%

b) Contribution to Provident fund

The provident fund charge during the year amounts to ₹ 285.10 (March 31, 2023: ₹ 246.10).

c) Compensated absences

(₹ in million)

Actuarial assumptions	March 31, 2024	March 31, 2023
Interest rate	**7.08%**	7.29%
Rate of growth in salary levels	**6.00%**	6.00%

29 Segment reporting

As per Ind AS 108 - Operating Segments ('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 has been given in the consolidated financial statements of the Company.

30 Computation for calculating diluted earnings per share

(₹ in million)

	Year ended	
	March 31, 2024	March 31, 2023
Number of shares considered as basic weighted average shares outstanding	**68,43,00,932**	68,05,85,300
Add: Effect of potential issue of shares/ stock options*	**1,73,20,478**	2,10,75,439
Number of shares considered as weighted average shares and potential shares outstanding	**70,16,21,410**	70,16,60,739
Net profit after tax attributable to shareholders	**3,196.99**	2,483.42
Net profit after tax for diluted earnings per share	**3,196.99**	2,483.42

*Not considered when anti-dilutive

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

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31 Capital and other commitments and contingent liabilities

(₹ in million)

		March 31, 2024	March 31, 2023
a)	The estimated amount of contracts remaining to be executed on capital account and not provided for (net), against which advances paid are ₹ 29.76 (March 31, 2023 - ₹ 0.59)	**358.22**	337.67
b)	Claims not acknowledged as debts	**1.35**	1.35
c)	Guarantees given to the Government of India, Customs and Central excise department in relation to future duty obligation and letter of credit given (Refer table below)	**16,020.77**	15,741.60
d)	The Company has a purchase commitment towards Nanobi Data and Analytics Private Limited for the Optionally Convertible Debentures of ₹ 100 per unit of 1,20,000 units.	**12.00**	12.00

Guarantees

(₹ in million)

	March 31, 2024	March 31, 2023
Guarantees given for working capital facilities and finance lease on behalf of Firstsource Solution UK Limited (FSL-UK)	**2,415.75**	2,337.89
Guarantees given for credit facilities and term loans on behalf of Firstsource Group USA, Inc. (FG US)	**13,595.02**	13,393.71
Guarantees given to the customer and others*	**10.00**	10.00
	16,020.77	15,741.60

Direct tax matters

Income tax demands amounting to ₹ 1,917.41 (March 31, 2023: ₹ 1,872.94) for the various assessment years are disputed in appeal by the Company in respect of which it has favourable decisions supporting its stand based on the past assessment or otherwise and hence, the provision for taxation is considered adequate. The Company has paid ₹ 10.38 (March 31, 2023: ₹ 10.38) tax under protest against the demand raised for the assessment year 2004-05, ₹ 12.50 (March 31, 2023: ₹ 12.50) tax under protest against the demand raised for the assessment year 2009-10, ₹ 80.00 (March 31, 2023: ₹ 80.00) tax under protest against the demand raised for the assessment year 2011-12. ₹ 5.00 (March 31, 2020: ₹ 5.00) tax under protest against the demand raised for the assessment year 2014-15, ₹ 2.50 (March 31, 2023: ₹ 2.50) tax under protest against the demand raised for the assessment year 2015-16.

Indirect tax matters

Service tax demands amounting to ₹ 192.52 (March 31, 2023: ₹ 192.52) in respect of service tax input credit and FCCB issue expenses is disputed in appeal by the Company. The Company expects favourable appellate decision in this regard.

The Company's pending litigations comprise of claims against the Company and pertaining to proceedings pending with Income tax and service tax. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

*Guarantees given pertain to guarantees given to customers and the Government of India, Customs and Central Excise department towards future duty obligations.

32 Long-term contracts

The Company has a process whereby yearly all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

33 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, funds have been contributed by the Company to the RP-Sanjiv Goenka Group CSR Trust and are to be utilized on the activities which are specified in Schedule VII to the Act. The areas identified by the CSR trust includes activities for promoting healthcare, art / culture, sports and education as the four priority areas to be pursued in phases and in a manner aligned with the CSR rules and regulations.The trust has informed that they are working on a project to set up school which will offer IB and IGCSE courses. The amount paid towards our contribution is being utlized to purchase land for setting up this school.

Gross amount required to be spent by the Company during the year is ₹ 75.30 (31 March 2023: ₹ 68.36)

(₹ in million)

	March 31, 2024	March 31, 2023
Opening balance	-	40.16
Contribution accrued for the year	**75.30**	68.36
Contribution to RPSG CSR Trust during the year	-	(90.84)
Amount spent by the Company during the year	**(11.00)**	(17.68)
Closing balance payable*	**64.30**	-

*Unspent amount of ₹ 64.30 and ₹ Nil has been transferred to a earmarked special bank account on March 28, 2024 and March 31, 2023 respectively.

34 Micro, small and medium enterprises

There are no outstanding dues to Micro and Small enterprises as at March 31, 2024 and March 31, 2023 respectively. Micro and Small Enterprises have been identified based on information collected by the Company.

35 Ratio Analysis and its elements

(₹ in million)

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023
Current ratio	Current Assets	Current Liabilities	**3.56**	4.31
Debt- Equity Ratio	Total Debt	Shareholder's Equity	**0.00**	0.00
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Depreciation	Debt service = Interest & Lease Payments + Principal Repayments	**6.18**	4.71
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	**13.6%**	10.7%
Trade Receivable Turnover Ratio	Sale of services	Average Trade Receivable	**2.34**	2.29
Trade Payable Turnover Ratio	Other expenses	Average Trade Payable	**4.59**	5.68
Net Capital Turnover Ratio	Sale of services	Working capital = Current assets – Current liabilities (excluding Short term and other borrowings)	**2.51**	2.22
Net Profit ratio	Net Profit	Sale of services	**20.0%**	18.5%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Net worth + Lease liabilities - Deferred tax assets + Long term and short term borrowings	**16.0%**	14.9%
Return on investment ratio	Income generated from invested funds	Average investments in mutual funds/deposit accounts	**16.0%**	6.5%

Change in the ratios of more than 25% as compared to the preceding year is a derivation of the change in the numerator defined against each ratio.

Notes to the Standalone financial statements

as at and for the year ended March 31, 2024

36 Subsequent events

The Board of directors at its meeting held on May 3, 2024 has approved the consolidated financial statements as at and for the year ended March 31, 2024.

As per our report of even date attached.
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors of
Firstsource Solutions Limited

Sanjiv V. Pilgaonkar
Partner
Membership No: 39826

Dr Sanjiv Goenka
Chairman
(DIN 00074796)

Shashwat Goenka
Vice- Chairman
(DIN 03486121)

Ritesh Idnani
Managing Director and CEO
(DIN 06403188)

Sunil Mitra
Director
(DIN 00113473)

Pradip Kumar Khaitan
Director
(DIN 00004821)

Subrata Talukdar
Director
(DIN 01794978)

Rekha Sethi
Director
(DIN 06809515)

Utsav Parekh
Director
(DIN 00027642)

Anjani K. Agrawal
Director
(DIN 08579812)

T.C. Suseel Kumar
Director
(DIN 06453310)

Vanita Uppal
Director
(DIN 07286115)

Mumbai
May 3, 2024

Mumbai
May 3, 2024

Pooja Nambiar
Company Secretary

Dinesh Jain
President and CFO

firstsource

REGISTERED OFFICE

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