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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
FIRSTSOURCE SOLUTIONS LIMITED

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Firstsource Group USA, Inc.** (the 'Company'), which comprise the Balance Sheet as at 31 March 2025, 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 then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements'). The Special Purpose Financial Statements have been prepared by the Management of the Company to assist Firstsource Solutions Limited, the holding company to comply with the requirements of Section 129(3) of the Companies Act, 2013 (the 'Act') and the requirement of filing of the annual performance report with the regulatory authorities in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, of its profits and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose 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 Special Purpose 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

Management's and Board of Director's Responsibilities for the Special Purpose 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 Special Purpose 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 Ind AS and other accounting principles generally accepted in India. 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, Management 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose 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 audit work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

Basis of preparation

We draw attention to Note 1 to the Special Purpose Financial Statements, which describes the basis of preparation of the Special Purpose Financial Statements. Our opinion is not modified in respect of this matter.

Restriction on Distribution and Use

Our report is intended solely for the information and use of the Board of Directors of Firstsource Solutions Limited for compliance with the requirements of Section 129(3) and the requirement of filing of the annual performance report with the regulatory authorities in India and is not intended to be and should not be used by anyone other than the specified parties.

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

TERENCE LEWIS
Partner
(Membership No. 107502)
(UDIN: 25107502BMIBEK4243)

Mumbai
30 June 2025

Firstsource Group USA, Inc.

Balance sheet

as at March 31, 2025

(Currency : In thousands US Dollar)

	Note	March 31, 2025	March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	**398.98**	60.89
Right-of-use assets	4	**92.17**	141.32
Other intangible assets	5	**17.79**	30.26
Financial assets			
Investments	6	**485,361.82**	475,361.81
Other non-current assets	8(i)	**51.21**	5.69
Total non-current assets		**485,921.97**	475,599.98
Current assets			
Financial assets			
Trade receivables	9		
Billed		**12,101.47**	8,918.75
Unbilled		**6,616.84**	3,927.15
Cash and cash equivalents	10	**727.66**	829.93
Other financial assets	7	**12,170.51**	62,092.34
Other current assets	8(ii)	**5,636.24**	1,326.96
Total current assets		**37,252.72**	77,095.13
Total assets		**523,174.69**	552,695.11
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**257.04**	257.04
Other equity	13	**365,582.83**	360,356.12
Total equity		**365,839.87**	360,613.16
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Long-term borrowings	14(i)	**40,000.00**	-
Lease liabilities		**49.54**	101.06
Other financial liabilities	15(i)	**26.84**	26.84
Deferred Tax Liabilities (net)	11	**22,314.44**	20,626.78
Total non-current liabilities		**62,390.82**	20,754.68
Current liabilities			
Financial liabilities			
Short-term borrowings	14(ii)	**45,740.81**	79,452.78
Trade payables	16	**3,342.87**	666.60
Lease liabilities		**51.53**	46.40
Other financial liabilities	15(ii)	**42,751.89**	89,249.30
Provisions for employee benefits	17	**52.71**	29.36
Other current liabilities	18	**182.03**	151.89
Provision for tax (net)		**2,822.16**	1,730.94
Total current liabilities		**94,944.00**	171,327.27
Total equity and liabilities		**523,174.69**	552,695.11

Material accounting policies

The accompanying notes from 1 to 31 are an integral part of these special purpose 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
Firstsource Group USA, Inc.

Terence Lewis
Partner
Membership No: 107502
June 30, 2025
Mumbai

Arjun Mitra
Director

Ritesh Idnani
Director

Firstsource Group USA, Inc.

Statement of profit and loss

for the year ended March 31, 2025

(Currency : In thousands US Dollar)

	Note	Year ended March 31, 2025	March 31, 2024
INCOME			
Revenue from operations	*19*	**70,261.70**	43,497.39
Other income, net	*20*	**25,181.40**	54,062.75
Total income		**95,443.10**	97,560.14
EXPENSES			
Service Rendered by Business Associate and Others		**47,616.56**	25,238.36
Employee benefits expenses	*21*	**21,041.93**	14,091.33
Finance costs	*22*	**5,254.85**	5,338.25
Depreciation and amortization expense	*3, 4, 5*	**152.25**	40.79
Other expenses	*23*	**12,141.81**	8,542.14
Total expenses		**86,207.40**	53,250.87
Profit/ (Loss) before exceptional items and tax		**9,235.70**	44,309.27
Exceptional Items (Refer note 30)		**596.07**	-
Tax expense			
Current tax	11	**1,725.27**	1,000.88
Deferred tax	11	**1,687.65**	3,517.68
Profit / (loss) for the year		**5,226.71**	39,790.71
Other comprehensive income			
Items that will be reclassified subsequently to the statement of profit and loss			
Total comprehensive income for the year		**5,226.71**	39,790.71
Weighted average number of equity shares outstanding during the year			
Basic	27	**257,039**	257,039
Diluted	27	**257,039**	257,039
Earnings per equity share			
Basic		**20.33**	154.80
Diluted		**20.33**	154.80

Material accounting policies

The accompanying notes from 1 to 31 are an integral part of these special purpose 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
Firstsource Group USA, Inc.

Terence Lewis
Partner
Membership No: 107502
June 30, 2025
Mumbai

Arjun Mitra
Director

Ritesh Idnani
Director

Firstsource Group USA, Inc.

Statement of changes in equity

as at and for the year ended March 31,2025

(Currency : In thousands US Dollar)

Equity share capital and other equity

		Attributable to owners of the Company		
		Reserve and surplus		
	Equity share capital	Capital contribution	Retained earnings	Total
Balance as at April 1, 2024	**257.04**	**64,961.44**	**295,394.68**	**360,613.16**
Profit for the year	**-**	**-**	**5,226.71**	**5,226.71**
Balance as at March 31, 2025	**257.04**	**64,961.44**	**300,621.39**	**365,839.87**

		Attributable to owners of the Company		
		Reserve and surplus		
	Equity share capital	Capital contribution	Retained earnings	Total
Balance as at April 1, 2023	257.04	64,961.44	255,603.97	320,822.45
Profit for the year	-	-	39,790.71	39,790.71
Balance as at March 31, 2024	257.04	64,961.44	295,394.68	360,613.16

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
Firstsource Group USA, Inc.

Terence Lewis
Partner
Membership No: 107502
June 30, 2025
Mumbai

Arjun Mitra
Director

Ritesh Idnani
Director

Firstsource Group USA, Inc.

Statement of cash flows
for the year ended March 31, 2025

(Currency : In thousands US Dollar)

	March 31, 2025	March 31, 2024
Cash flow from operating activities		
Net Profit / (Loss) before taxation	**9,235.70**	44,309.27
Adjustments for		
Depreciation and amortisation	**152.25**	40.79
Finance costs	**5,254.85**	5,338.25
Exceptional Items, net expense(Refer note 30)	**(596.07)**	-
Fair value and other adjustments	**-**	(4,050.00)
Dividend income	**(25,050.00)**	(50,000.00)
Interest income	**(86.10)**	-
Operating cash flow before changes in working capital	**(11,089.37)**	(4,361.70)
Changes in working capital		
(Increase) in trade receivables	**(5,872.41)**	(7,273.09)
Increase / (Decrease) in loans and advances and other assets	**45,530.93**	39,582.12
Increase / (Decrease) in liabilities and provisions	**(42,162.82)**	(76,286.62)
Net changes in working capital	**(2,504.30)**	(43,977.59)
Income taxes paid	**(634.05)**	(387.86)
Net cash (used in) / generated from operating activities (A)	**(14,227.72)**	(48,727.15)
Cash flow from investing activities		
Interest income received	**86.10**	-
Purchase of Non controlling Interest in subsidiary	**-**	(7,100.00)
Purchase of property plant and equipment and intangible assets	**(392.83)**	(95.40)
Dividend received from subsidiaries	**25,050.00**	50,000.00
Net cash generated from / (used in) investing activities (B)	**24,743.27**	**42,804.60**
Cash flow from financing activities		
(Repayment) from short term borrowings	**(17,211.97)**	22,952.78
(Repayment)/ proceeds of long term Borrowings	**23,500.00**	(19,000.00)
Interest paid	**(6,859.46)**	(5,027.82)
Capital contribution in subsidary	**(10,000.01)**	-
Repayment of lease liabilities	**(46.38)**	(4.11)
Net cash used in financing activities (C)	**(10,617.82)**	(1,079.15)
Net (decrease) / increase in cash and cash equivalents at the end of the year (A+B+C)	**(102.27)**	(7,001.70)
Cash and cash equivalents at the beginning of the year	**829.93**	7,831.62
Cash and cash equivalents at the end of the year	**727.66**	829.93

Firstsource Group USA, Inc.

Statement of cash flows
for the year ended March 31, 2025

(Currency : In thousands US Dollar)
Notes to the statement of cash flows
Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents included in the statement of cash flows comprise the

	March 31, 2025	March 31, 2024
Balances with banks		
- in current accounts	**727.66**	829.93
	727.66	829.93
Bank deposits due to mature after three months but before twelve months from the reporting date	-	
Cash and cash equivalents	**727.66**	829.93

Reconciliation of liabilities from financing activities for the year ended 31 March 2025

Particulars	**As at March 31, 2024**	**Proceeds**	**Repayment**	**As at March 31, 2025**
Long Term Borrowings	**16,500.00**	**23,500.00**	**-**	**40,000.00**
Short Term Borrowings	**62,952.78**	**-**	**(17,211.97)**	**45,740.81**
Net Liabilities from financing activities	**79,452.78**	**23,500.00**	**(17,211.97)**	**85,740.81**

Reconciliation of liabilities from financing activities for the year ended 31 March 2024

Particulars	**As at March 31, 2023**	**Proceeds**	**Repayment**	**As at March 31, 2024**
Long Term Borrowings	35,500.00	-	(19,000.00)	16,500.00
Short Term Borrowings	40,000.00	22,952.78	-	62,952.78
Net Liabilities from financing activities	75,500.00	22,952.78	(19,000.00)	79,452.78

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
Firstsource Group USA, Inc.

Terence Lewis
Partner
Membership No: 107502
June 30, 2025
Mumbai

Arjun Mitra
Director

Ritesh Idnani
Director

1 Company overview

Firstsource Company USA Inc. ('the Company') was incorporated under the laws of the State of Delaware on November 25, 2009. The Company provides contact centre and transaction processing services for customers in the financial services, telecommunications and healthcare industry. The Company is a subsidiary of Firstsource Solutions Limited ('FSL') incorporated under the laws of India.

Basis of Preparation and Statement of Compliance

These special purpose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 (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 and relevant amendment rules issued thereunder.

These special purpose financial statements have been prepared to assist Firstsource Solutions Limited the Holding Company to comply with the requirements of section 129(3) of the Act and to comply with the requirements of filing of the annual performance report with the regulatory authorities in India.

The financial information based on which these special purpose financial statements are prepared were approved by the Board of Directors of Firstsource Solutions Limited, the Holding Company on April 28, 2025.

2 Material accounting policies

2.1 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 2.1.1.

2.1.1 Critical accounting estimates

a Income taxes

The Company's tax jurisdiction is United States of America. 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 2.7.

b Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation / amortisation 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 reviewed periodically, including at each financial year end. The

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.

2.2 Revenue recognition

The Company, in its contracts with customers, promises to transfer distinct services rendered either in the form of customer management, healthcare (transaction processing and revenue cycle management) or collection.

Each distinct service, results in a simultaneous benefit to the corresponding customer. Also, the Company 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 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, refund, credits, incentives, performance bonuses, etc., (variable consideration) aganist each performance obligation each reporting period and recgnises 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 Material accounting policies *(continued)*

2.3 Property, plant and equipment and Intangible assets

Property, plant and equipment

Property, plant and equipment and Intangible assets 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 / amortisation on property, plant and equipment and intangible assets is provided pro-rata to the period of use based on management's best estimate of useful lives of the assets as summarised 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
Office equipment*	2 – 5
Furniture and fixtures*	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 Companies Act, 2013.

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically at the end of each financial year.

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)**
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 Companies Act, 2013.

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.

2.4 Impairment

a. Financial assets

The Company recognises 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. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

b. Non-financial assets

Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets 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 Cash Generating Unit ('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 Material accounting policies *(continued)*

2.5 Foreign Currency transactions

Functional currency

The functional currency of the Company is the United States Dollar (USD).

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 realised 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.

2.6 Employee benefits

a) Post employment benefits

Defined contribution plans

The Company has a saving and investment plan under section 401 (k) of the Internal Revenue Code of the United States of America. This is a Defined Contribution Plan. Contribution made under the plan are charged to statement of Profit and loss in the period in which that accrue. The Company has no further obligation to the plan beyond its monthly contribution. Other retirement benefits, including social security and medicare, are accrued based on the amounts payable as per local regulations.

Compensated absences

Provision for compensated absence cost has been made on eligible vacation balances at balance sheet date.
Employees of the Company are entitled to compensated absences to be utilised within one calendar year. The employees can 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 increase this entitlement.

2.7 Income Taxes

Current Income taxes and deferred income tax

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recongised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available aganist which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recognised.

The Income tax liability and Deferred Tax Asset and Liability are computed on a combined basis and a combined tax return is filed for all subsidiaries of Firstsource Solutions Limited operating in the United States of America and the charge, the asset and the liability is accounted on a combined basis by the Company in its financial statements.

2.8 Earnings per equity share

The basic earnings per equity share is computed by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. 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.

2.9 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. 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.

2.10 Financial instruments

2.10.1 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. However, trade receivables with no significant financing component are measured at transaction price.

2 Material accounting policies *(continued)*

2.10 Financial instruments (continued)

2.10.2 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 the 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 Company after deducting all of its liabilities.
Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

vii) ***Investment in subsidiaries***

Investment in subsidiaries is carried at cost.

b) Share capital

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.

2.10.3 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.

2.10.4 Fair value of financial instruments

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.

2.11 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 item 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.

2.12 Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company 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.

2.13 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.

Firstsource Group USA, Inc.
Notes to the financial statements *(Continued)*
as at March 31, 2025
(Currency : In thousands US Dollar)

3 Property, plant and equipment

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at April 1, 2024	**16.11**	**95.61**	**3.62**	**26.28**	**1.45**	**143.07**
Additions during the year	195.99	178.15	22.21	23.95	4.57	**424.87**
Deletions during the year	-	-	-	-	-	-
As at March 31, 2025	**212.10**	**273.76**	**25.83**	**50.23**	**6.02**	**567.94**
Accumulated depreciation / amortization						
As at April 1, 2024	**15.90**	**37.16**	**3.62**	**24.26**	**1.24**	**82.18**
Charge for the year	**24.70**	**52.98**	**3.26**	**5.05**	**0.80**	**86.79**
On deletions during the year	-	-	-		-	-
As at March 31, 2025	**40.60**	**90.14**	**6.88**	**29.31**	**2.04**	**168.97**
Net block						
As at March 31, 2025	**171.50**	**183.62**	**18.95**	**20.92**	**3.99**	**398.98**
As at March 31, 2024	0.21	58.45	-	2.02	0.22	60.89

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at April 1, 2023	16.11	35.66	3.62	23.85	1.45	80.69
Additions / adjustments during the year		59.95		2.43		62.38
Deletions during the year						-
As at March 31, 2024	16.11	95.61	3.62	26.28	1.45	143.07
Accumulated depreciation / amortization						
As at April 1, 2023	15.90	24.97	3.62	23.83	1.11	69.43
Charge for the year		12.19		0.43	0.13	12.75
On deletions / adjustments during the year						-
As at March 31, 2024	15.90	37.16	3.62	24.26	1.24	82.18
Net block						
As at March 31, 2024	0.21	58.45	-	2.02	0.22	60.89
As at March 31, 2023	0.21	10.69	-	0.02	0.35	11.26

(Currency : In thousands US Dollar)

4 Leases

The details of Right-to-use assets held by the Company are as follows:

	Opening Balance as at April 1, 2024	Addition during the year ended March 31, 2025	Deletions during the year ended March 31, 2025	Depreciation for the year ended March 31, 2025	Net Carrying value as at March 31, 2025
Leasehold properties	**141.32**	**-**	**-**	**49.15**	**92.17**
	141.32	**-**	**-**	**49.15**	**92.17**

Rent includes expense towards common area maintenance charges for leased properties amounting to USD 174.3 during the year ended March 31, 2025 (March 31, 20234 USD 181.85). Further USD 401.77 is netted off as recovery of rent from fellow subsidiaries for the year ended March 31, 2025 (March 31, 2024 USD 319.06).

	Opening Balance as at 1 April 2023	Addition during the year ended 31 March 2024	Deletions during the year ended 31 March 2024	Depreciation for the year ended 31 March 2024	Net Carrying value as at 31 March 2024
Leasehold properties		151.56	-	10.24	141.32
	-	151.56	-	10.24	141.32

Rent includes expense towards common area maintenance charges for leased properties amounting to USD 181.85 during the year ended March 31, 2024 (March 31, 2023 USD 206.49). Further USD 319.06 is netted off as recovery of rent from fellow subsidiaries for the year ended March 31, 2024 (March 31, 2023 USD 247.00).

(Currency : In thousands US Dollar)

5 Other intangible assets

	Software	Total
Gross block		
As at April 1, 2024	**1,343.49**	**1,343.49**
Additions during the year	**3.84**	**3.84**
Deletions during the year	**-**	**-**
As at March 31, 2025	**1,347.33**	**1,347.33**
Accumulated depreciation / amortization		
As at April 1, 2024	**1,313.23**	**1,313.23**
Charge for the year	**16.31**	**16.31**
Deletions during the year	**-**	**-**
As at March 31, 2025	**1,329.54**	**1,329.54**
As at March 31, 2025	**17.79**	**17.79**
As at March 31, 2024	30.26	30.26

	Software	Total
Gross block		
As at April 1, 2023	1,343.49	1,343.49
Additions during the year	-	-
Deletions during the year	-	-
As at March 31, 2024	1,343.49	1,343.49
Accumulated depreciation / amortization		
As at April 1, 2023	1,295.43	1,295.43
Charge for the year	17.80	17.80
On deletions	-	-
As at March 31, 2024	1,313.23	1,313.23
As at March 31, 2024	30.26	30.26
As at March 31, 2023	48.06	48.06

(Currency : In thousands US Dollar)

	March 31, 2025	March 31, 2024
6 Investments		
Non-current		
Unquoted		
Investments carried at cost (Investment in equity instruments of subsidiaries)		
lnvestment in MedAssist Holding Inc.- 992 equity shares (March 31, 2024 992 equity shares)	**346,518.62**	346,518.62
lnvestment in Firstsource Business Process Services Limited. -100%, voting rights (March 31, 2024: 100% voting rights)	**29,088.00**	29,088.00
Investment in Sourcepoint, Inc.		
Equity share capital - 733 voting common stock (March 31, 2024: 733 voting common stock)	**13,691.21**	13,691.21
Capital contribution*	**96,058.97**	86,058.96
Investment in Firstsource Solutions Mexico S.R.L. de C.V.	**5.02**	5.02
	485,361.82	475,361.81

* The Board of directors of the company approved Capital Contribution of USD 10,000.00 in the subsidiary company Sourcepoint, Inc.during the year ended March 31,2025.

(Currency : In thousands US Dollar)

	March 31, 2025	March 31, 2024
7 Other current financial assets		
Foreign currency forward contract	**2.24**	98.88
Advance to related parties (refer note 25)	**6,926.93**	11,993.46
Loan to related parties (refer note 25)	**5,241.34**	-
Dividend Receivable	**-**	50,000.00
	12,170.51	62,092.34
8 Other current assets		
(i) Other non-current assets		
Prepaid expenses	**51.21**	5.69
	51.21	5.69
(ii) Other current assets		
Prepaid expenses	**5,344.37**	228.31
Capital advances	**-**	36.10
Loans and advances to employees, Current	**-**	66.00
Deferred contract cost	**247.56**	-
Other advances	**44.31**	996.55
	5,636.24	1,326.96
9 Trade receivables		
Billed		
Considered doubtful	**268.35**	216.88
Less: Allowance for doubtful debts	**268.35**	216.88
	-	-
Considered good	**12,101.47**	8,918.75
	12,101.47	8,918.75
Unbilled		
Unbilled revenues	**6,616.84**	3,927.15
	6,616.84	3,927.15

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 Company, either severally or jointly.
c) For receivables from related parties, refer note 25.

Trade receivables Ageing Schedule
As at March 31, 2025

	Curent but 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 Receivables – considered good	**5,742.47**	**6,359.00**	**-**	**-**	**-**	**-**	**12,101.47**
Undisputed Trade receivable – considered doubtful	**-**	**-**	**5.10**	**46.38**	**190.80**	**26.08**	**268.35**
Total	**5,742.47**	**6,359.00**	**5.10**	**46.38**	**190.80**	**26.08**	**12,338.65**

As at March 31, 2024

	Curent but 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 Receivables – considered good	3,854.61	5,064.14	-	-	-	-	8,918.75
Undisputed Trade receivable – considered doubtful	-	-	-	190.80	26.08	-	216.88
Total	3,854.61	5,064.14	-	190.80	26.08	-	9,135.63

Firstsource Group USA, Inc.

Notes to the financial statements (Continued)

as at March 31, 2025

(Currency : In thousands US Dollar)

	March 31, 2025	March 31, 2024
10 Cash and cash equivalents		
Balances with banks		
-in current accounts	**727.66**	829.93
Book credit in bank account		
-earmarked balances with banks held in trust	**407.55**	407.55
Remittances in transit		
	1,135.21	1,237.48
Less: Current account balance held in trust for customers	**(407.55)**	(407.55)
	727.66	829.93

11 Taxation	Opening balance	Recognised in Profit and loss	Closing Balance
Deferred tax assets on account of:			
Lease liabilities	940.37	(174.36)	**766.01**
Compensated absences	1,672.60	85.64	**1,758.24**
Accrued expenses / allowance for expected credit loss	2,396.97	650.03	**3,047.00**
Business losses carried forward	24,337.05	(2,394.45)	**21,942.60**
	29,346.99	(1,833.15)	**27,513.84**
Deferred tax liability on account of:			
Property, plant and equipment and intangibles assets	380.33	**(145.48)**	**234.85**
Goodwill	49,593.44		**49,593.44**
	49,973.77	(145.48)	**49,828.29**
Net Deferred tax liability	20,626.78	1,687.66	**22,314.44**

Taxation	Opening balance	Recognised in Profit and loss	Closing Balance
Deferred tax assets on account of:			
Lease liabilities	960.72	(20.35)	**940**
Compensated absences	1,582.74	89.86	**1,673**
Accrued expenses / allowance for expected credit loss	2,280.94	116.03	**2,397**
Business losses carried forward	27,518.70	(3,181.65)	**24,337**
Provision for Onerous Contracts	934.20	(934.20)	**-**
	33,277	(3,930)	**29,347**
Deferred tax liability on account of:			
Property, plant and equipment and intangibles assets	792.96	(413)	**380**
Goodwill	49593.44	-	**49,593**
	50386.4	**(413)**	**49,974**
Net Deferred tax liability	17109.1	**3,518**	**20,627**

ii) Income Tax liability

	March 31, 2025	March 31, 2024
Provision for tax	**2,822.16**	1,730.94
	2,822.16	1,730.94

Income tax expense

Income tax expense in the statement of profit and loss comprises:

	Year ended March 31, 2025	March 31, 2024
Current taxes	**1,725.27**	1,000.88
Deferred taxes	**1,687.65**	3,517.68
Income tax expense	**3,412.92**	4,518.56

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:

	Year ended March 31, 2025	March 31, 2024
Profit before income taxes	**24,626.47**	21,131.34
Enacted tax rates in United States of America*	**21.00%**	21.00%
Computed expected tax expense	**5,171.56**	4,437.58
Effect of change in state tax rates	**-**	1,000.00
Expenses not deductible for tax purposes	**(1,932.99)**	(634.38)
Others	**174.36**	(284.64)
Income tax expense	**3,412.92**	4,518.56

*Note : The profit is respect of all entities headquartered in USA for which consolidated tax return is filled by a company.

Firstsource Group USA, Inc.

Notes to the financial statements (Continued)

as at March 31, 2025

(Currency : In thousands US Dollar)

	March 31, 2025	March 31, 2024
12 Share capital		
Authorised		
300,000 voting common stock(March 31, 2024: 300,000 common stock) fully paid-up of USD 1 each	**300,000.00**	300,000.00
100,000 non-voting common stock(March 31, 2024: 100,000 common stock) fully paid-up of USD 1 each	**100,000.00**	100,000.00
	400,000.00	400,000.00
Issued, subscribed and paid-up		
218,483 voting common stock(March 31, 2024: 218,483 common stock) fully paid-up of USD 1 each	**218.48**	218.48
38,556 non-voting common stock(March 31, 2024: 38,556 common stock) fully paid-up of USD 1 each	**38.56**	38.56
	257.04	257.04

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	March 31, 2025		March 31, 2024	
	Number of shares	**Amount**	Number of shares	Amount
At the commencement of the year	**257,039**	**257.04**	257,039	257.04
At the end of the year	**257,039**	**257.04**	257,039	257.04

b) Particulars of shareholders holding more than 5% equity shares

	March 31, 2025		March 31, 2024	
	Number of shares	**% of total shares**	Number of shares	% of total shares
Firstsource Solutions Limited	**218,483**	**85.00%**	218,483	85.00%
Firstsource Solution UK Limited	**38,556**	**15.00%**	38,556	15.00%

c) Rights, preferences and restrictions attached to equity shares

The Company has two classes of equity shares - voting and non-voting equity shares. 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. The non-voting equity shares shall have no right to vote except as otherwise required by law.

13 Other equity

	March 31, 2025	March 31, 2024
Capital contribution		
At the commencement of the year	**64,961.44**	64,961.44
At the end of the year	**64,961.44**	64,961.44
Retained Earnings		
At the commencement of the year	**295,394.68**	255,603.97
Add:Profit for the year	**5,226.71**	39,790.71
At the end of the year	**300,621.39**	295,394.68
Total other equity	**365,582.83**	360,356.12

(Currency : In thousands US Dollar)

	March 31, 2025	March 31, 2024
14 Borrowings		
(i) Long term borrowings		
Unsecured		
-Loan from Banks	**40,000.00**	-
	40,000.00	-
(ii) Short-term borrowings		
Unsecured		
Line of Credit from banks (refer note 'a')	**45,740.81**	62,952.78
	45,740.81	62,952.78
Current portion of long term borrowings		
Unsecured		
-Loan from Banks	**-**	16,500.00
	-	16,500.00
	45,740.81	79,452.78

a Line of credit from bank carries floating interest rate in the range of 1.00% to 7.50%., these are working capital lines.
b The borrowings are guaranteed by the ultimate holding company.

15 Other financial liabilities

	March 31, 2025	March 31, 2024
(i) Other non current financial liabilities		
Deposits	**26.84**	26.84
	26.84	26.84
(ii) Other current financial liabilities		
Interest accrued but not due on borrowings	**147.88**	1,753.49
Payable to related parties	**39,715.82**	83,695.08
Liablities for purchase of Non -controlling interest	**-**	2,451.71
Employee benefit payable	**2,888.19**	1,349.02
	42,751.89	89,249.30

(Currency : In thousands US Dollar)

16 Trade Payables

Trade payables	**3,342.87**	666.60
	3,342.87	666.60

Trade payables Ageing Schedule
As at March 31, 2025

	Outstanding for following periods from due date of payment					
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade Payables	**3,196.38**	**146.49**	-	-	-	**3,342.87**
Total	**3,196.38**	**146.49**	**-**	**-**	**-**	**3,342.87**

As at March 31, 2024

	Outstanding for following periods from due date of payment					
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Trade Payables	524.39	142.21	-	-	-	666.60
Total	524.39	142.21	-	-	-	666.60

17 Provision for employee benefits	**March 31, 2025**	March 31, 2024
Current		
Compensated absences	**52.71**	29.36
	52.71	29.36

18 Other liabilities

Other current liabilities		
Creditors for capital goods	**2.86**	3.08
Statutory Dues	**179.17**	148.81
	182.03	151.89

(Currency : In thousands US Dollar)

	Year ended March 31, 2025	March 31, 2024
19 Revenue from operations		
Sale of services	**70,261.70**	43,493.43
Other operating income, net	**-**	3.96
	70,261.70	43,497.39

The Company provides contact centre and transaction processing services for customers in the financial services, telecommunications and healthcare industry and operates in the US geography only.

Revenues 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.

	March 31, 2025	March 31, 2024
20 Other income, net		
Interest income	**86.10**	-
Foreign exchange gain, net	**45.30**	12.75
Miscellaneous income*	**-**	4,050.00
Dividend from subsidiaries	**25,050.00**	50,000.00
	25,181.40	54,062.75

* Changes in fair value in respect of Liablities for Purchase of Non -controlling interest .

	March 31, 2025	March 31, 2024
21 Employee benefits expenses		
Salaries and wages	**20,012.34**	13,754.18
Contribution to social security and other benefits	**84.40**	79.99
Staff welfare expenses	**945.19**	257.16
	21,041.93	14,091.33

	March 31, 2025	March 31, 2024
22 Finance costs		
Interest expense		
- on working capital demand loan and others	**5,245.67**	5,338.25
Interest expense on leased liabilities	**9.18**	2.81
	5,254.85	5,338.25

	March 31, 2025	March 31, 2024
23 Other expenses		
Technology and applications support cost	**35.79**	16.72
Allocated service cost	**1,979.39**	1,664.13
Legal and professional fees	**4,026.09**	2,955.64
Payment to auditors- as audit fees	**9.30**	9.30
Travel and conveyance	**1,058.22**	1,051.12
Bank administration charges	**865.26**	159.54
Connectivity, information and communication expenses	**482.65**	235.77
Recruitment and training expenses	**107.66**	64.79
Rent	**591.50**	500.91
Printing and stationery	**55.37**	10.05
Rates and taxes	**110.47**	152.88
Insurance	**-**	0.58
Computer expenses	**745.16**	603.91
Repairs, maintenance and upkeep	**358.08**	88.50
Car and other hire charges	**37.74**	2.10
Marketing and support expense	**1,580.73**	1,045.62
Electricity, water and power consumption	**16.41**	18.44
Allowance for expected credit loss/ bad debts written-off, net	**51.48**	(39.06)
Miscellaneous Expenses	**30.51**	1.20
	12,141.81	8,542.14

Firstsource Group USA, Inc.

Notes to the financials statements (Continued)

as at and for the year ended March 31,2025

(Currency: In US Dollar)

24 Financial instruments

I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2025 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	**18,718.31**	-	-	**18,718.31**	**18,718.31**
Cash and cash equivalents	**727.66**	-	-	**727.66**	**727.66**
Other financial assets	**12,170.51**	-	-	**12,170.51**	**12,170.51**
Total	**31,616.48**	-	-	**31,616.48**	**31,616.48**
Financial liabilities					
Borrowings	**85,740.81**	-	-	**85,740.81**	**85,740.81**
Other financial liabilities	**42,778.73**	-	-	**42,778.73**	**42,778.73**
Trade payables	**3,342.87**	-	-	**3,342.87**	**3,342.87**
Total	**131,862.41**	-	-	**131,862.41**	**131,862.41**

The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	12,845.90	-	-	12,845.90	12,845.90
Cash and cash equivalents	829.93	-	-	829.93	829.93
Other financial assets	62,092.34	-	-	62,092.34	62,092.34
Total	75,768.17	-	-	75,768.17	75,768.17
Financial liabilities					
Borrowings	79,452.78	-	-	79,452.78	79,452.78
Other financial liabilities	86,824.43	2,451.71	-	89,276.14	89,276.14
Trade payables	666.60	-	-	666.60	666.60
Total	166,943.81	2,451.71	-	169,395.52	169,395.52

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 March 31, 2025:

	As 31 March 2025	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Other Financial Assets				
Foreign currency forward contract	**2.24**	-	**2.24**	-
Other Financial Liabilities				
Liablities for Purchase of Non -controlling interest	-	-	-	-
Total	-	-	-	-

(Currency: In US Dollar)

24 Financial instruments *(continued)*

II. Fair value hierarchy (continued):

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2024:

	As of 31 March 2024	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Other Financial Assets				
Foreign currency forward contract	**98.88**	**-**	**98.88**	-
Other Financial Liabilities				
Liablities for Purchase of Non -controlling interest	-	-	-	2,451.71
Total	-	-	-	**2,451.71**

The fair value of other financial assets and liabilties approximate the carrying value.

Foreign currency forward contract is valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

III. Financial risk management:

a) Market risk

The Company operates in the United States of America and there are no major transactions outside the United States of America. Hence, there is no significant foreign exchange risk for the Company.

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 USD 12,101.47 and USD 8918.75 as of March 31, 2025 and March 31, 2024 respectively and unbilled revenue amounting to USD 6,616.84 and USD 3,927.15 as of March 31, 2025 and March 31, 2024 respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States of America. 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. Expected credit losses are accounted on financial assets based on the measurement criteria as defined in the policy. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment.

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.

Total current liabilities are in excess of total current assets. Payables to Subsidiary Companies are not expected to be called for settlement until external liabilities are settled. The Company shall use its operating future cash flows and unutilized lines of credit to manage its liquidity.

The table below provides details regarding the contractual maturities of Material financial liabilities as of March 31, 2025 and March 31, 2024:

	March 31, 2025		March 31, 2024	
	Less than 1 Year	**More than 1 year**	Less than 1 Year	More than 1 year
Trade payables	**3,342.87**	**-**	666.60	-
Borrowings	**45,740.81**	**40,000.00**	79,452.78	-
Other Financial Liabilities	**42,751.89**	**26.84**	89,249.30	26.84

(Currency: In US Dollar)

25 Related party transactions

Details of related parties including summary of transactions entered into during the year ended March 31, 2025 are summarized below:

Ultimate Holding Company	RPSG Ventures Limited
Holding Company	Firstsource Solutions Limited
Subsidiaries	Sourcepoint, Inc. MedAssist Holding LLC Firstsource Business Process Services LLC Firstsource Solutions México, S. De R.L. De C.V Firstsource Solutions Limited Colombia SAS (w.e.f. 07/03/25)
Fellow Subsidiaries	Sourcepoint Fulfillment Services, Inc. Stone Hill Group PatientMatters, LLC Medical Advocacy Services for Healthcare, Inc Kramer Technologies LLC Firstsource HealthPlans and Healthcare services, LLC Firstsource Advantage LLC One Advantage LLC ARSI - American Recovery Service Incorporated Firstsource Solution UK Limited Quintessence Business Solutions & Services Private Limited Firstsource Solution Australia Pty Limited Quintessence Health LLC
Directors	Ritesh Idnani Utsav Parekh Arjun Mitra

Particulars of related party transactions:

Name of the related party	Description	Transaction value during year ended*		Receivable / (Payable) at	
		March 31, 2025	**March 31, 2024**	**March 31, 2025**	**March 31, 2024**
Firstsource Solutions Limited	Services rendered by business associates and others	**44,026.45**	23,648.32	**-**	-
	Recovery of expenses	**511.52**	227.35	**-**	-
	Reimbursement of expenses	**3,580.88**	2,557.58	**-**	-
	Payable	**-**	-	**(18,577.40)**	(9,369.77)
Firstsource UK Limited	Reimbursement of expenses	**1.21**	6.40	**-**	-
	Recovery of expense	**5.50**	27.13	**-**	-
	Services rendered by business associates and others	**399.58**	-	**-**	-
	Receivable	-	-	**(375.83)**	19.47
Medassist Holdings LLC	Reimbursement of expenses	**353.99**	380.90	**-**	-
	Recovery of expense	**7,708.21**	7,966.19	**-**	-
	Dividend received	**21,000.00**	-	**-**	40,000.00
	Payable	-	-	**(1,999.71)**	(5,327.71)
Firstsource Health Plans and Healthcare Services, LLC	Reimbursement of expenses	**12,001.95**	9,251.95	**-**	-
	Recovery of expense	**429.44**	612.40	**-**	-
	Payable	**-**	-	**(428.42)**	(26,063.29)
Firstsource Advantage LLC	Reimbursement of expenses	**2,558.18**	723.72	**-**	-
	Recovery of expense	**1,142.60**	2,410.93	**-**	-
	Payable	**-**	-	**(3,990.56)**	(7,614.23)
Firstsource Business Process	Dividend received	**4,050.00**	-	**-**	10,000.00
Sourcepoint Fulfillment Services, Inc.	Reimbursement of expenses	**210.06**	312.68	**-**	-
	Recovery of expense	**-**	1.43	**-**	-
	Receivable	**-**	-	**377.68**	168.77
Sourcepoint, Inc.	Reimbursement of expenses	**3,094.45**	3,379.14	**-**	-
	Recovery of expense	**702.89**	220.03	**-**	-
	Payable	**-**	-	**(13,395.33)**	(12,527.36)
One Advantage LLC	Recovery of expense	**311.79**	412.17	**-**	-
	Payable	**-**	-	**(178.11)**	(9,630.89)
PatientMatters, LLC	Recovery of expense	**294.78**	872.76	**-**	-
	Reimbursement of expenses	**19,821.92**			
	Payable	**-**	0.88	**(770.46)**	(10,306.38)
Stone Hill Group	Reimbursement of expenses	**622.19**	686.26	-	-
	Recovery of expense	**19.82**	22.44	-	-
	(Payable) / Receivable	**-**	-	**1,029.80**	(2,313.97)
American Recovery Service Incorporated	Recovery of expense	**175.80**	181.50	**-**	-
	(Payable) / Receivable	**-**	-	**278.71**	(541.48)
Firstsource Solutions México, S. De R.L. De C.V	Services rendered by business associates and others	**993.02**	742.53	**-**	-
	Investment	**-**	-	**5.02**	5.02
	Reimbursement of expenses	**2,050.60**	9.39	**-**	-
	Receivable	**-**	-	**5,166.57**	2,587.50
QHL	Reimbursement of expenses	**12.80**	-	**-**	-
	Interest Income	**42.30**	-	**-**	-
	Advance receivable	**-**	-	**74.17**	-
	Loans receivable	**-**	-	**2,000.00**	-
Firstsource Solution Australia Pty Limited	Interest Income	**43.80**	-	**-**	-
	Loans receivable	**-**	-	**3,241.34**	-

(Currency: In US Dollar)

26 Segment reporting

The Company is in the business of providing contact centre and transaction processing services to its customers. The Company does not have operations outside US. In view of the above, operating segment disclosures for business/geographical segment are not applicable to the Company.

27 Computation for calculating basic and diluted earnings per share

	For year ended	
	March 31, 2025	March 31, 2024
Number of shares considered as basic weighted average shares outstanding	**257,039**	257,039
Number of shares considered as weighted average shares and potential shares outstanding	**257,039**	257,039
Net profit/(loss) after tax attributable to shareholders	**5,226.71**	39,790.71
Net profit/(loss) after tax for diluted earnings per share	**5,226.71**	39,790.71

28 Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 202.28 (March 31, 2024: USD 202.28) against which advances paid are USD 36.10 (March 31, 2024: USD 36.10) as at the balance sheet date. There are no contingent liabiities to be reported during the year and previous year.

29 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024
Current ratio	Current Assets	Current Liabilities	0.39	0.45
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.23	0.22
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	8.71	37.05
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	1.44%	12.53%
Trade Receivable Turnover Ratio	Sale of services	Average Trade Receivable	4.45	5.12
Trade Payable Turnover Ratio	Other expenses	Average Trade Payable	6.06	15.37
Net Capital Turnover Ratio	Sale of services	Working capital = Current assets – Current liabilities	-1.22	-0.46
Net Profit ratio	Net Profit	Sale of services	7.44%	91.48%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Net worth + Lease liabilities + Deferred tax (assets) / liabilities + Long term and short term borrowings	3.06%	10.78%

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.

30 Exceptional Item

Exceptional items comprise of one time costs of USD 596.07 on account of special bonus.

31 Subsequent events

The Company evaluated subsequent events from the balance sheet date through June 30, 2025 and determined there are no material items to report.

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** **Firstsource Group USA, Inc.**	
Terence Lewis Partner Membership No: 107502 June 30, 2025 Mumbai	**Arjun Mitra** Director	**Ritesh Idnani** Director