

**Firstsource Process Management Services Limited**

Financial statements  
together with the Independent Auditor's Report  
for the year ended 31 March 2020

# Firstsource Process Management Services Limited

## **Financial statements together with the Independent Auditor's Report**

*for the year ended 31 March 2020*

### ***Contents***

Independent auditor's report

Balance sheet

Statement of profit and loss

Statement of changes in equity

Cash flow statement

Notes to the financial statements

# Firstsource Process Management Services Limited

## Balance sheet

as at 31 March 2020

(Currency: In Indian rupees)

	<i>Note</i>	<b>31 March 2020</b>	31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Income tax assets (net)	11	<b>478,682</b>	398,545
Other assets	3	-	381,736
<b>Total non-current assets</b>		<b>478,682</b>	780,281
<b>Current assets</b>			
Financial assets			
Investments	4	-	30,000,000
Cash and cash equivalents	5	<b>34,033,347</b>	2,925,133
Other current assets		<b>3,562</b>	-
<b>Total current assets</b>		<b>34,036,909</b>	32,925,133
<b>Total assets</b>		<b>34,515,591</b>	33,705,414
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	<b>10,500,000</b>	10,500,000
Other equity	7	<b>23,291,593</b>	22,182,961
<b>Total equity</b>		<b>33,791,593</b>	32,682,961
<b>LIABILITIES</b>			
<b>Current Financial liabilities</b>			
Trade and other payables		<b>723,998</b>	996,931
Other Liabilities	8	-	25,522
<b>Total current liabilities</b>		<b>723,998</b>	1,022,453
<b>Total equity and liabilities</b>		<b>34,515,591</b>	33,705,414
<b>Significant accounting policies</b>	2		

The accompanying notes from 1 to 18 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 Process Management Services Limited**

**Sanjiv V. Pilgaonkar**

*Partner*

Membership No: 39826

**Vipul Khanna**

*Director*

**Dinesh Jain**

*Director*

**Badrinath Bharadwaj**

*Director*

**Sweta Shah**

*Company Secretary*

Mumbai

26 May 2020

Mumbai

26 May 2020

Firstsource Process Management Services Limited

**Statement of profit and loss**

for the year ended 31 March 2020

(Currency: In Indian rupees)

	<i>Note</i>	<b>Year ended</b> <b>31 March 2020</b>	31 March 2019
<b>INCOME</b>			
Revenue from operations		-	-
Other income	9	<b>1,844,889</b>	2,193,927
<b>Total income</b>		<b>1,844,889</b>	2,193,927
<b>EXPENSES</b>			
Finance Cost		-	58,729
Other expenses	10	<b>322,395</b>	261,030
<b>Total expenses</b>		<b>322,395</b>	319,759
<b>Profit before taxation</b>		<b>1,522,494</b>	1,874,168
<b>Tax expense</b>	11		
Current tax		<b>413,862</b>	654,201
Deferred tax		-	-
<b>Profit for the year</b>		<b>1,108,632</b>	1,219,967
<b>Other comprehensive income</b>		-	-
<b>Total other comprehensive income for the year</b>		<b>1,108,632</b>	1,219,967
Weighted average number of equity shares outstanding during the year			
Basic		1,050,000	1,050,000
Diluted		1,050,000	1,050,000
Earnings per equity share			
Basic		<b>1.06</b>	1.16
Diluted		<b>1.06</b>	1.16

**Significant accounting policies**

2

The accompanying notes from 1 to 18 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 Process Management Services Limited**

**Sanjiv V. Pilgaonkar**

*Partner*

Membership No: 39826

**Vipul Khanna**

*Director*

**Dinesh Jain**

*Director*

**Badrinath Bharadwaj**

*Director*

**Sweta Shah**

*Company Secretary*

Mumbai

26 May 2020

Mumbai

26 May 2020

Firstsource Process Management Services Limited

**Statement of changes in equity (continued)**

for the year ended 31 March 2020

(Currency: In Indian rupees)

**Equity share capital and other equity**

	Equity share capital	Securities premium	Retained earnings	Total
Balance as at 1 April 2019	10,500,000	90,000,000	(67,817,039)	32,682,961
Other comprehensive income for the year	-	-	-	-
Profit for the year	-	-	1,108,632	1,108,632
<b>Balance at the end of the 31 March 2020</b>	<b>10,500,000</b>	<b>90,000,000</b>	<b>(66,708,407)</b>	<b>33,791,593</b>

	Equity share capital	Securities premium	Retained earnings	Total
Balance as at 1 April 2018	10,500,000	90,000,000	(69,037,006)	31,462,994
Other comprehensive income for the year	-	-	-	-
Profit for the year	-	-	1,219,967	1,219,967
<b>Balance at the end of the 31 March 2019</b>	<b>10,500,000</b>	<b>90,000,000</b>	<b>(67,817,039)</b>	<b>32,682,961</b>

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 Process Management Services Limited**

**Sanjiv V. Pilgaonkar**  
Partner  
Membership No: 39826

**Vipul Khanna**  
Director

**Dinesh Jain**  
Director

**Badrinath Bharadwaj**  
Director

**Sweta Shah**  
Company Secretary

Mumbai  
26 May 2020

Mumbai  
26 May 2020

# Firstsource Process Management Services Limited

## Statement of cash flows

for the year ended 31 March 2020

(Currency: In Indian rupees)

	31 March 2020	31 March 2019
<b><u>Cash flow from operating activities</u></b>		
Profit before tax	1,522,494	1,874,168
<b>Adjustments for</b>		
Profit on sale / redemption of investments	(1,816,395)	(2,193,927)
Interest on tax	-	58,729
Interest income	(28,494)	-
<b>Operating cash flow before changes in working capital</b>	<b>(322,395)</b>	<b>(261,030)</b>
<b>Changes in working capital</b>		
Decrease / (increase) in loans and advances and other assets	381,736	(67,537)
(Decrease) / Increases in trade payable, provisions and other current liabilities	(298,455)	(97,656)
<b>Net changes in working capital</b>	<b>83,281</b>	<b>(165,193)</b>
<b>Net cash used in operating activities (A)</b>	<b>(239,114)</b>	<b>(426,223)</b>
<b><u>Cash flow from investing activities</u></b>		
Sale of investment in mutual funds securities, net	250,316,395	422,193,927
Purchases of investment in mutual funds securities, net	(218,500,000)	(420,000,000)
Interest received	24,932	-
Income taxes paid/refund	(493,999)	(601,000)
<b>Net cash generated from investing activities (B)</b>	<b>31,347,328</b>	<b>1,592,927</b>
<b><u>Cash flow from financing activities</u></b>		
<b>Net cash generated from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents at the end of the year (A+B+C)</b>	<b>31,108,214</b>	<b>1,166,704</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,925,133</b>	<b>1,758,429</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>34,033,347</b>	<b>2,925,133</b>

### 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:

	31 March 2020	31 March 2019
Cash on hand	-	-
Balances with banks		
- in current accounts	1,533,347	2,925,133
- in deposit accounts	32,500,000	-
<b>Cash and cash equivalents</b>	<b>34,033,347</b>	<b>2,925,133</b>

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 Process Management Services Limited**

**Sanjiv V. Pilgaonkar**

Partner

Membership No: 39826

**Vipul Khanna**

Director

**Dinesh Jain**

Director

**Badrinath Bharadwaj**

Director

**Sweta Shah**

Company Secretary

Mumbai  
26 May 2020

Mumbai  
26 May 2020

# Firstsource Process Management Services Limited

## Notes to the financial statements

for the year ended 31 March 2020

(Currency: In Indian rupees)

### 1 Company overview

Firstsource Process Management Services Limited ('FPMSL' or 'the Company'), formerly known as Anunta Tech Infrastructure Services Limited, was incorporated on 1 November 2010 as a 100% subsidiary of Firstsource Solutions Limited ('holding Company'). The Company is engaged in the business of providing and facilitating range of Information Technology (IT) and IT enabled services, delivering technology-driven business solutions and other value added services related to IT. The Company commenced its business with effect from 31 December 2010. The Company has changed its name from Anunta Tech Infrastructure Services Limited to Firstsource Process Management Services Limited with effective from 30 December 2015. The Functional currency of the Company is Indian Rupees (INR).

The Company has not carried out any business activity during the year and in the previous year.

### 2 Significant accounting policies

#### 2.1 Statement of compliance

The financial statements of the Company 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'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### 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.

#### 2.3 Revenue recognition

Revenue is recognised when each distinct service results in a simultaneous benefit to the corresponding customer and there is an enforceable right to payment from the customer for the performance completed to date. Revenues from unit priced 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.

#### Dividend

Dividend income is recognised when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

#### Interest Income

For all financial instruments measured at amortised cost and interest bearing financial asset that are available for sale, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of financial instrument or a shorter period, where appropriate, to the carrying amount of the financial asset.

# Firstsource Process Management Services Limited

## Notes to the financial statements

for the year ended 31 March 2020

(Currency: In Indian rupees)

### 2 Significant accounting policies (continued)

#### 2.4 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

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.

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.

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.

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.

#### 2.5 Earnings per 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.

#### 2.6 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.

#### 2.7 Financial instruments

##### 2.7.1 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.



## Firstsource Process Management Services Limited

### Notes to the financial statements

for the year ended 31 March 2020

(Currency: In Indian rupees)

#### 2 Significant accounting policies (continued)

##### 2.7 Financial instruments (continued)

###### 2.7.1 Initial recognition (continued)

###### 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.

###### 2.7.2 Classification and subsequent measurement

###### i) 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.

###### ii) 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.

###### iii) 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.

###### iv) 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.

###### v) 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) 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.

###### 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.

###### 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 realized. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

##### 2.8 Impairment

###### 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.

##### 2.9 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.

##### 2.10 Recent accounting pronouncements

Ministry of Company Affairs (MCA) notifies new standard or amendments to existing standards. There is no such notification which would be applicable from 1 April 2020.

# Firstsource Process Management Services Limited

## Notes to the financial statements *(continued)*

as at 31 March 2020

(Currency: In Indian rupees)

31 March 2020      31 March 2019

### 3) Other assets

#### Other non-current assets

*(Unsecured, considered good)*

Indirect tax recoverable

-	381,736
-	381,736

### 4) Investments

#### Current

Investments carried at fair value through statement of profit and loss

Mutual funds (unquoted)

-	30,000,000
-	30,000,000

### 5) Cash and cash equivalents

Balances with banks

in current accounts

in deposit accounts

1,533,347	2,925,133
32,500,000	-
34,033,347	2,925,133

Firstsource Process Management Services Limited

Notes to the financial statements (continued)

as at 31 March 2020

(Currency: In Indian rupees)

31 March 2020 31 March 2019

6) Share capital

Authorised

1,500,000 (31 March 2019: 1,500,000) equity shares of Rs 10 each

15,000,000 15,000,000

15,000,000 15,000,000

Issued, subscribed and paid-up

1,050,000 (31 March 2019: 1,050,000) equity shares of Rs 10 each, fully paid-up

10,500,000 10,500,000

10,500,000 10,500,000

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

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	1,050,000	10,500,000	1,050,000	10,500,000
At the end of the year	1,050,000	10,500,000	1,050,000	10,500,000

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

	31 March 2020		31 March 2019	
	Number of shares	% of total shares	Number of shares	% of total shares
Firstsource Solutions Limited, holding company, and its nominees	1,050,000	100	1,050,000	100

c) Shares held by holding company

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Firstsource Solutions Limited, holding company, and its nominees	1,050,000	10,500,000	1,050,000	10,500,000

d) 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.

Firstsource Process Management Services Limited

*Notes to the financial statements (continued)*

as at 31 March 2020

(Currency: In Indian rupees)

31 March 2020      31 March 2019

7) **Other equity**

**Securities premium account**

At the commencement of the year

90,000,000      90,000,000

Add : Premium on shares issued during the year

-      -

At the end of the year

90,000,000      90,000,000

**Balance in the statement of profit and loss**

At the commencement of the year

(67,817,039)      (69,037,006)

Add: Net profit for the year

1,108,632      1,219,967

At the end of the year

(66,708,407)      (67,817,039)

23,291,593      22,182,961

8) **Other liabilities**

**Other Current Liabilities**

Tax deducted at source

-      25,522

-      25,522

# Firstsource Process Management Services Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: In Indian rupees)

	Year ended	
	31 March 2020	31 March 2019
<b>9) Other income</b>		
Profit on sale/redemption of current investments, net	1,816,395	2,193,927
Interest income	28,494	-
	<b>1,844,889</b>	<b>2,193,927</b>
<b>10) Other expenses</b>		
Legal and professional fees	(196,402)	161,030
Payment to auditors		
- as audit fees	100,000	100,000
Rates and taxes	411,997	-
Miscellaneous expenses	6,800	-
	<b>322,395</b>	<b>261,030</b>
<b>11) Income taxes</b>		
Income tax expense in the Statement of Profit and loss comprises:		
Current taxes	413,862	654,201
<b>Income tax expense</b>	<b>413,862</b>	<b>654,201</b>

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	
	31 March 2020	31 March 2019
Profit before income taxes	1,522,494	1,874,168
Enacted tax rates in India	26.00%	26.00%
Computed expected tax expense	395,849	487,284
Deferred Tax on Business Loss not recognised	83,822	83,137
Income charged at different rate	(65,809)	83,780
<b>Income tax expense</b>	<b>413,862</b>	<b>654,201</b>

	Year Ended	
	31 March 2020	31 March 2019
<b>Income tax asset</b>		
Advance tax (net)	478,682	398,545

Firstsource Process Management Services Limited

**Notes to the financial statements (continued)**

for the year ended 31 March 2020

(Currency: In Indian rupees)

**12) Financial instruments**

*I. Financial instruments by category:*

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	34,033,347	-	-	34,033,347	34,033,347
Other assets	3,562	-	-	3,562	3,562
<b>Total</b>	<b>34,036,909</b>	<b>-</b>	<b>-</b>	<b>34,036,909</b>	<b>34,033,347</b>
<b>Financial liabilities</b>					
Trade and other payables	723,998	-	-	723,998	723,998
<b>Total</b>	<b>723,998</b>	<b>-</b>	<b>-</b>	<b>723,998</b>	<b>723,998</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Investments	-	30,000,000	-	30,000,000	30,000,000
Cash and cash equivalents	2,925,133	-	-	2,925,133	2,925,133
<b>Total</b>	<b>2,925,133</b>	<b>30,000,000</b>	<b>-</b>	<b>32,925,133</b>	<b>32,925,133</b>
<b>Financial liabilities</b>					
Trade and other payables	1,022,453	-	-	1,022,453	1,022,453
<b>Total</b>	<b>1,022,453</b>	<b>-</b>	<b>-</b>	<b>1,022,453</b>	<b>1,022,453</b>

Firstsource Process Management Services Limited

**Notes to the financial statements (continued)**

for the year ended 31 March 2020

(Currency: In Indian rupees)

**12) Financial instruments (continued)**

**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 of 31 March 2020:

	As of 31 March 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
<b>Investments</b>				
Investment in liquid mutual fund units	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

	As of 31 March 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
<b>Investments</b>				
Investment in liquid mutual fund units	30,000,000	30,000,000	-	-
<b>Total</b>	<u>30,000,000</u>	<u>30,000,000</u>	<u>-</u>	<u>-</u>

## Firstsource Process Management Services Limited

### Notes to the financial statements (*continued*)

for the year ended 31 March 2020

(Currency: In Indian rupees)

#### 13) Segment reporting

The Company has only one reportable segment which is IT and IT enabled services, and has not undertaken any business activity in the current year and in the previous year.

#### 14) Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2020 are summarised below :

##### a. Names of related parties and description of relationships:

Ultimate Holding Company	CESC Ventures Limited
Holding Company	Firstsource Solutions Limited
Fellow Subsidiary Companies	Firstsource Group USA, Inc. (FG US)
	Firstsource Solutions UK Limited (FSL-UK)
	Firstsource Solutions S.A. (FSL-Arg)
	Firstsource Business Process Services, LLC (FBPS)
	Firstsource Advantage LLC (FAL)
	Firstsource Solutions USA LLC (earlier known as MedAssist LLC)
	Firstsource Transaction Services LLC (FTS)
	Firstsource BPO Ireland Limited (FSL Ireland)
	One Advantage LLC (OAL)
	Medassist Holding LLC (Medassist)
	Firstsource Dialog Solutions (Private) Limited (FDS)
	Sourcepoint, Inc.
	Sourcepoint Fulfillment Services, Inc. (Sourcepoint-FFS)
	ISGN Fulfillment Agency, LLC (Ceased on 24 June 2019)
Enterprise with common Directors	Nanobi Data and Analytics Private Limited(Nanobi)

b. There are no related party transactions to be reported during the year.

#### 15) Computation for calculating diluted earnings per share

	For year ended	
	31 March 2020	31 March 2019
Number of shares considered as basic weighted average shares outstanding	1,050,000	1,050,000
Add: Effect of potential issue of shares/ stock options *	-	-
Number of shares considered as weighted average shares and potential shares outstanding	1,050,000	1,050,000
Net profit after tax attributable to shareholders	1,108,632	1,219,967
Net profit after tax for diluted earnings per share	1,108,632	1,219,967
* Not considered when anti-dilutive		

#### 16) Contingent Liabilities

##### Direct tax matters

Income tax demands amounting to Rs 507,695 (31 March 2019: Rs 507,695) 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.



Firstsource Process Management Services Limited

**Notes to the financial statements (continued)**

for the year ended 31 March 2020

(Currency: In Indian rupees)

**17) Micro, small and medium enterprises**

There are no outstanding dues to Micro and Small enterprises as at 31 March 2020 and 31 March 2019 respectively. Micro and Small Enterprises have been identified based on information collected by the Company.

**18) Subsequent events**

The Board of Directors at the meeting held on 26 May 2020 approved the financial statements of the Company for the year ended 31 March 2020. The Company evaluated subsequent events from the balance sheet date through 26 May 2020 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 of  
Firstsource Process Management Services Limited**

**Sanjiv V. Pilgaonkar**

*Partner*

Membership No: 39826

**Vipul Khanna**

*Director*

**Dinesh Jain**

*Director*

**Badrinath Bharadwaj**

*Director*

**Sweta Shah**

*Company Secretary*

Mumbai  
26 May 2020

Mumbai  
26 May 2020