

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 Advantage LLC** (the 'Company'), which comprise the Balance Sheet as at 31 March 2022, 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 significant 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').

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 2022, of its profit 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 Responsibility 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 skepticism 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.

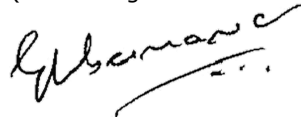
Basis of preparation

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) as aforesaid 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)



G. K. SUBRAMANIAM
Partner
(Membership No. 109839)
(UDIN: 22109839ALYTJQ2562)

Mumbai
30 June 2022

Firstsource Advantage LLC

Special Purpose Financial Statements
together with the Independent Auditor's Report
as at and for the year ended 31 March 2022

Firstsource Advantage LLC

Special Purpose Financial Statements together with the Independent Auditor's Report

as at and for the year ended 31 March 2022

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Firstsource Advantage LLC

Balance sheet

as at 31 March 2022

(Currency : In US Dollar)

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	544,144	832,519
Right-of-use assets	4	5,223,464	5,935,509
Other intangible assets	5	398,292	279,567
Financial assets			
Other financial assets	6(i)	150,400	150,400
Other non-current assets	7(i)	19,386	16,231
Deferred tax assets (net)		8,941,160	8,941,160
Total non-current assets		15,276,846	16,155,386
Current assets			
Financial assets			
Trade receivables	8		
- Billed		7,161,859	8,336,500
- Unbilled		3,905,923	2,390,745
Cash and cash equivalents	9	985,549	1,586,202
Other financial assets	6(ii)	12,332,997	12,466,773
Other current assets	7(ii)	667,689	739,255
Total current assets		25,054,017	25,519,475
Total assets		40,330,863	41,674,861
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	10,000	10,000
Other equity	11	29,550,808	27,924,573
Total equity		29,560,808	27,934,573
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,754,544	6,429,827
Total non-current liabilities		5,754,544	6,429,827
Current liabilities			
Financial liabilities			
Trade payables	12	736,247	965,815
Lease liabilities		675,282	628,727
Other financial liabilities	13	3,284,251	5,332,693
Other current liabilities	14	186,312	190,510
Provisions for employee benefits	15	133,419	192,716
Total current liabilities		5,015,511	7,310,461
Total equity and liabilities		40,330,863	41,674,861

Significant accounting policies

The accompanying notes from 1 to 24 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

G. K. Subramaniam

Partner

Membership No: 109839

30 June 2022

Mumbai

For and on behalf of the Board of Directors

Arjun Mitra
Director

Kimberly Nestark
Director

Firstsource Advantage LLC

Statement of profit and loss

for the year ended 31 March 2022

(Currency : In US Dollar)

		Year ended	
	Note	31 March 2022	31 March 2021
INCOME			
Revenue from operations	16	61,178,269	65,368,580
Total income		61,178,269	65,368,580
EXPENSES			
Service rendered by business associate and others (refer note 20)		13,658,839	12,801,818
Employee benefits expenses	17	33,435,586	34,117,950
Finance costs	18	304,778	309,320
Depreciation and amortization expense	3, 4, 5	1,207,743	1,380,980
Other expenses	19	10,945,088	11,819,204
Total expenses		59,552,034	60,429,272
Profit before tax		1,626,235	4,939,308
Tax expense		-	-
Current tax		-	-
Deferred tax		-	-
Profit for the year		1,626,235	4,939,308
Other comprehensive income		-	-
Total comprehensive income for the year		1,626,235	4,939,308
Weighted average number of equity shares outstanding during the year			
Basic	22	10,000	10,000
Diluted	22	10,000	10,000
Earnings per equity share			
Basic	22	162.62	493.93
Diluted	22	162.62	493.93

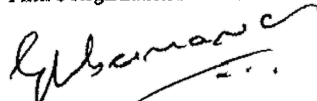
Significant accounting policies

The accompanying notes from 1 to 24 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



G. K. Subramaniam

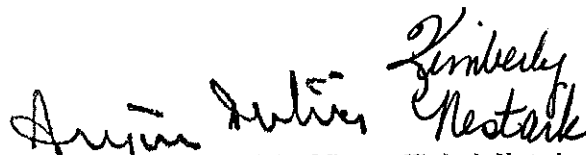
Partner

Membership No: 109839

30 June 2022

Mumbai

For and on behalf of the Board of Directors



Arjun Mitra
Director

Kimberly Nestark
Director

Firstsource Advantage LLC

Statement of changes in equity

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

Statement of changes in Equity

	Attributable to owners of the Company		
	Equity share capital	Reserve and surplus Retained earnings	Total
Balance as at 1 April 2021	10,000	27,924,573	27,934,573
Profit for the year	-	1,626,235	1,626,235
Balance at the end of the 31 March 2022	10,000	29,550,808	29,560,808

	Attributable to owners of the Company		
	Equity share	Reserve and surplus Retained earnings	Total
Balance as at 1 April 2020	10,000	22,985,265	22,995,265
Profit for the year	-	4,939,308	4,939,308
Balance at the end of the 31 March 2021	10,000	27,924,573	27,934,573

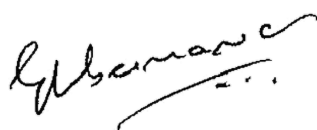
As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors



G. K. Subramaniam

Partner

Membership No: 109839

30 June 2022

Mumbai



Arjun Mitra
Director

Kimberly Nestark
Director

Firstsource Advantage LLC

Statement of cash flows

for the year ended 31 March 2022

(Currency: In US Dollar)

	31 March 2022	31 March 2021
<u>Cash flow from operating activities</u>		
Profit before tax	1,626,235	4,939,308
Adjustments for		
Depreciation and amortisation	1,207,743	1,380,980
Finance costs	304,778	309,320
Operating cash flow before changes in working capital	3,138,756	6,629,608
Changes in working capital		
(Increase) in trade receivables	(340,537)	(1,461,403)
Decrease / (Increase) in loans and advances and other assets	182,803	(4,544,711)
(Decrease) / Increase in liabilities and provisions	(2,261,522)	396,721
Net changes in working capital	(2,419,256)	(5,609,393)
Income taxes paid	-	-
Net cash generated from operating activities (A)	719,500	1,020,215
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment and intangible assets	(386,646)	(331,825)
Net cash used in investing activities (B)	(386,646)	(331,825)
<u>Cash flow from financing activities</u>		
Interest paid	(304,778)	(309,320)
Repayment of lease liabilities	(628,729)	(531,690)
Net cash used in financing activities (C)	(933,507)	(841,010)
Net (Decrease) in cash and cash equivalents at the end of the year (A+B+C)	(600,653)	(152,620)
Cash and cash equivalents at the beginning of the year	1,586,202	1,738,822
Cash and cash equivalents at the end of the year	985,549	1,586,202

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:

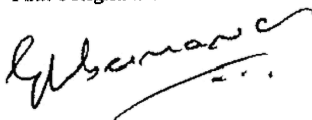
	31 March 2022	31 March 2021
Cash on hand	-	-
Balances with banks		
- in current account	985,549	1,586,202
Cash and cash equivalents	985,549	1,586,202

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Firm's Registration No: 117366W/W-100018



G.K. Subramaniam

Partner

Membership No: 109839

30 June 2022

Mumbai

For and on behalf of the Board of Directors

Arjun Mitra
Director

Kimberly Nestark
Director

Firstsource Advantage LLC

Notes to the financial statements

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

1 Company overview

Firstsource Advantage LLC ('the Company') was incorporated under the laws of the state of New York on 27 April 1995 for the purpose of providing debt collection services to major credit card issuers and banks throughout the United States. Credit is granted to primarily all of its customers.

Basis of Preparation and Statement of compliance

The 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 relevant amendment rules issued thereunder.

These special purpose financial statements have been prepared to assist the Holding Company Firstsource Solutions Limited to comply with the requirements of section 129(3) of the Act.

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 5 May 2022.

2 Significant 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 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 are reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b 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 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) against each performance obligation each reporting period and recognises changes to estimated variable consideration as changes to the transaction price (i.e., revenue) of the applicable performance obligation.

Dividend income is recognised when the right to receive dividend is established.

For all instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Firstsource Advantage LLC

Notes to the financial statements

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

2 Significant 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
Service equipment*	2 – 5
Computers*	2 – 4
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.

Firstsource Advantage LLC

Notes to the financial statements

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

2 Significant accounting policies (Continued)

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.

2.5 Employee benefits

Defined contribution plans

The Company has a savings 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 the 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

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.

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

2.6 Taxation

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 recognised 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 against 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 Firstsource Group USA, Inc. (parent company in the United States of America) in its financial statements. Deferred Tax Asset and Liability and Income tax charge accounted in these Special Purpose Financial Statements relate only to the pre-acquisition period and adjustments thereof.

2.7 Leases

The Company enters into contract as a lessee for assets taken on lease. The Company at the inception of a contract assesses whether the contract contains a lease by conveying the right to control the use of an identified asset for a period of time in exchange for consideration. A Right-of-use asset is recognised representing its right to use the underlying asset for the lease term at the lease commencement date except in case of short term leases with a term of twelve months or less and low value leases which are accounted as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the conditions required by the terms and conditions of the lease, a provision for costs are included in the related Right-of-use asset. The Right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease and if that rate cannot be readily determined the Company uses the incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, variable lease payments, where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Obligation under finance lease are secured by way of hypothecation of underlying fixed assets taken on lease. Lease payments have been disclosed under cash flow from financing activities.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

Firstsource Advantage LLC

Notes to the financial statements

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

2 Significant accounting policies (Continued)

2.8 Foreign currency

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 functional currency using the exchange rate in effect on the date of the transaction.

2.9 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.

2.10 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.

2.11 Financial instruments

2.11.1 Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

2.11.2 Classification and subsequent measurement

a) Non-derivative financial instruments

i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iv) Financial assets at fair value through profit and loss ('FVTPL')

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Firstsource Advantage LLC

Notes to the financial statements

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

2 Significant accounting policies (Continued)

v) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments.

vi) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

b) Share Capital Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.11.3 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.

2.11.4 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.

2.12 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.

2.13 Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

2.14 Recent Accounting Pronouncements:

On 23 March 2022, the Ministry of Company Affairs amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 effective for annual periods beginning on or after 1 April 2022 which include amendments / clarifications in the following accounting standards applicable to the Company:

- a) Ind AS 16 – Property, Plant and Equipment
- b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- c) Ind AS 109 – Financial Instruments

The effect of application of these amendments / clarifications on the Standalone financial statements of the Company is expected to be insignificant.

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : In US Dollar)

3 Property, plant and equipment

	Leaschold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at 1 April 2021	1,397,347	2,865,194	2,813,538	1,787,623	1,539,564	10,403,266
Additions / adjustments during the year	3,262	17,290	-	3,106	-	23,659
On deletions / adjustments during the year	(1,115,640)	(2,235,001)	(2,753,893)	(1,638,632)	(1,416,984)	(9,160,151)
As at 31 March 2022	284,969	647,483	59,645	152,097	122,580	1,266,774
Accumulated depreciation / amortization						
As at 1 April 2021	1,227,049	2,444,061	2,764,788	1,686,305	1,448,544	9,570,747
Charge for the year	61,536	172,745	16,925	33,996	26,832	312,034
On deletions / adjustments during the year	(1,115,640)	(2,235,001)	(2,753,893)	(1,638,632)	(1,416,984)	(9,160,151)
As at 31 March 2022	172,945	381,805	27,820	81,669	58,392	722,630
Net block						
As at 31 March 2022	112,024	265,678	31,825	70,428	64,188	544,144
As at 31 March 2021	170,298	421,133	48,750	101,317	91,021	832,519

	Leaschold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at 1 April 2020	1,389,864	2,693,342	2,787,385	1,737,913	1,517,470	10,125,974
Additions / adjustments during the year	7,483	171,852	26,153	49,710	22,094	277,292
Deletions during the year	-	-	-	-	-	-
As at 31 March 2021	1,397,347	2,865,194	2,813,538	1,787,623	1,539,564	10,403,266
Accumulated depreciation / amortization						
As at 1 April 2020	1,155,866	2,256,269	2,748,105	1,651,606	1,420,012	9,231,858
Charge for the year	71,183	187,792	16,683	34,699	28,532	338,889
On deletions / adjustments during the year	-	-	-	-	-	-
As at 31 March 2021	1,227,049	2,444,061	2,764,788	1,686,305	1,448,544	9,570,747
Net block						
As at 31 March 2021	170,298	421,133	48,750	101,318	91,021	832,519
As at 31 March 2020	233,998	437,073	39,280	86,307	97,458	894,116

Firstsource Advantage LLC
Notes to the financial statements (Continued)
as at 31 March 2022
(Currency : In US Dollar)

4 Right-of-use assets

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

Particulars	Opening balance as at 1 April 2021	Addition during the year ended 31 March 2022	Deletions during the year ended 31 March 2022	Depreciation for the year ended 31 March 2022	Net carrying value as at 31 March 2022
Leasehold properties	5,935,509	-	-	712,044	5,223,464
	5,935,509	-	-	712,044	5,223,464

Rent includes expense towards low value lease payments amounting to USD 259,643 and common area maintenance charges for leased properties amounting to USD 264,490 during the year ended 31 March 2022.

Particulars	Opening balance as at 1 April 2020	Addition during the year ended 31 March 2021	Deletions during the year ended 31 March 2021	Depreciation for the year ended 31 March 2021	Net carrying value as at 31 March 2021
Leasehold properties	4,153,690	2,380,505	-	598,686	5,935,509
Service equipment	32,180	-	-	32,180	-
	4,185,870	2,380,505	-	630,866	5,935,509

Rent includes expense towards low value lease payments amounting to USD 209,433 and common area maintenance charges for leased properties amounting to USD 321,811 during the year ended 31 March 2021. Further USD 112,798 is netted off as recovery of rent by fellow subsidiaries.

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : In US Dollar)

5 Other intangible assets

	Software	Total
Gross block		
As at 1 April 2021	1,841,244	1,841,244
Additions / adjustments during the year	302,390	302,390
Deletions during the year	(1,317,117)	(1,317,117)
As at 31 March 2022	826,517	826,517
Accumulated depreciation / amortization		
As at 1 April 2021	1,561,676	1,561,676
Charge for the year	183,666	183,666
On deletions	(1,317,117)	(1,317,117)
As at 31 March 2022	428,225	428,225
Net block		
As at 31 March 2022	398,292	398,292
As at 31 March 2021	279,568	279,568

	Software	Total
Gross block		
As at 1 April 2020	1,779,228	1,779,228
Additions / adjustments during the year	62,015	62,015
As at 31 March 2021	1,841,243	1,841,243
Accumulated depreciation / amortization		
As at 1 April 2020	1,150,451	1,150,451
Charge for the year	411,225	411,225
As at 31 March 2021	1,561,676	1,561,676
Net block		
As at 31 March 2021	279,567	279,567
As at 31 March 2020	628,777	628,777

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : In US Dollar)

	31 March 2022	31 March 2021
6 Other financial assets		
(i) Other non-current financial assets		
Deposits	150,400	150,400
	<u>150,400</u>	<u>150,400</u>
(ii) Other current financial assets		
Advances to related parties (refer note 20)	12,332,997	12,466,773
	<u>12,332,997</u>	<u>12,466,773</u>
7 Other assets		
(i) Other non-current assets		
Capital advances	19,386	-
Prepaid expenses	-	16,231
	<u>19,386</u>	<u>16,231</u>
(ii) Other current assets		
Prepaid expenses	591,542	739,255
Other advances	76,147	-
	<u>667,689</u>	<u>739,255</u>
8 Trade receivables		
Billed		
Considered good	7,161,859	8,336,500
	<u>7,161,859</u>	<u>8,336,500</u>
Unbilled		
Unbilled revenues	3,905,923	2,390,745
	<u>3,905,923</u>	<u>2,390,745</u>

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 party refer note 20.

Trade receivables Ageing Schedule

As at 31 March 2022

	Current 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	-	7,161,859	-	-	-	-	7,161,859
Undisputed Trade receivable – considered doubtful	-	-	-	-	-	-	-
Total	-	7,161,859	-	-	-	-	7,161,859

As at 31 March 2021

	Current 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	-	2,331,419	6,005,081	-	-	-	8,336,500
Undisputed Trade receivable – considered doubtful	-	-	-	-	-	-	-
Total	-	2,331,419	6,005,081	-	-	-	8,336,500

9 Cash and cash equivalents

Balances with banks		
-in current accounts	985,549	1,586,202
-earmarked balances with banks held in trust	1,164,213	1,118,796
	<u>2,149,762</u>	<u>2,704,998</u>
Less: Current account balance held in trust for customers	(1,164,213)	(1,118,796)
	<u>985,549</u>	<u>1,586,202</u>

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : In US Dollar)

	31 March 2022	31 March 2021
10 Share capital		
Authorised		
10,000 (31 March 2020: 10,000) Equity Shares of USD 1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Issued, subscribed and paid-up		
10,000 (31 March 2020: 10,000) Equity Shares of USD 1 each, fully paid up	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

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

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	10,000	10,000	10,000	10,000
At the end of the year	10,000	10,000	10,000	10,000

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

	31 March 2022		31 March 2021	
	Number of shares	% of total shares	Number of shares	% of total shares
Firstsource Business Process Services LLC	10,000	100.00%	10,000	100.00%

c) 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 shares 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.

11 Other equity

	31 March 2022	31 March 2021
Retained earnings		
At the commencement of the year	27,924,573	22,985,265
Add: Net profit for the year	1,626,235	4,939,308
At the end of the year	<u>29,550,808</u>	<u>27,924,573</u>
Total other equity	<u>29,550,808</u>	<u>27,924,573</u>

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : In US Dollar)

31 March 2022 31 March 2021

12 Trade Payables

Trade Payables	736,247	965,815
	<u>736,247</u>	<u>965,815</u>

Trade payables Ageing Schedule

As at 31 March 2022

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables	736,921	-	-	-	-	736,921
Total	736,921	-	-	-	-	736,921

As at 31 March 2021

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables	965,815	-	-	-	-	965,815
Total	965,815	-	-	-	-	965,815

13 Other financial liabilities

Other current financial liabilities

Book credit in bank account	-	3,545
Creditors for capital goods	-	79,983
Payable to related parties (refer note 20)	2,215,919	4,301,181
Employee benefits payable	1,068,332	894,228
Loan from other parties	-	53,756
	<u>3,284,251</u>	<u>5,332,693</u>

14 Other liabilities

Other current liabilities

Statutory dues	186,312	190,510
	<u>186,312</u>	<u>190,510</u>

15 Provision for employee benefits

Current

Compensated absences	133,419	192,716
	<u>133,419</u>	<u>192,716</u>

Firstsource Advantage LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : In US Dollar)

Year ended
31 March 2022 31 March 2021

16 Revenue from operations

Sale of services	61,178,269	65,368,580
	61,178,269	65,368,580

The Company provides debt collection services to major credit card issuers and banks throughout the United States. Credit is granted to primarily all of its customers.

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.

17 Employee benefits expenses

Salaries and wages	31,765,304	32,824,319
Contribution to social security and other benefits	256,946	210,296
Staff welfare expenses	1,413,336	1,083,335
	33,435,586	34,117,950

18 Finance costs

Interest expense on leased liabilities	304,778	309,320
	304,778	309,320

19 Other expenses

Computer expenses	559,181	774,418
Repairs, maintenance and upkeep	607,020	472,977
Car and other hire charges	103,232	77,050
Electricity, water and power consumption	151,975	120,986
Connectivity, information and communication expenses	3,899,509	4,770,590
Legal and professional fees	1,506,193	441,544
Recruitment and training expenses	65,899	128,105
Travel and conveyance	98,887	445
Rent (net of recoveries)	524,133	644,042
Insurance	117,639	114,520
Printing and stationery	51,429	51,826
Allocated Corporate Costs	714,368	863,113
Marketing and Support Expenses	276,385	23,788
Exchange Loss	41,879	7,659
Rates and taxes	248,403	247,867
Bank administration charges	1,978,956	3,080,274
	10,945,088	11,819,204

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

19 Financial instruments

I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	11,067,782	-	-	11,067,782	11,067,782
Cash and cash equivalents	985,549	-	-	985,549	985,549
Other financial assets	12,483,397	-	-	12,483,397	12,483,397
Total	24,536,728	-	-	24,536,728	24,536,728
Financial liabilities					
Trade payables	736,247	-	-	736,247	736,247
Lease Liabilities	6,429,826	-	-	6,429,826	6,429,826
Other financial liabilities	3,284,251	-	-	3,284,251	3,284,251
Total	10,450,324	-	-	10,450,324	10,450,324

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	10,727,245	-	-	10,727,245	10,727,245
Cash and cash equivalents	1,586,202	-	-	1,586,202	1,586,202
Other financial assets	12,617,173	-	-	12,617,173	12,617,173
Total	24,930,620	-	-	24,930,620	24,930,620
Financial liabilities					
Trade payables	965,815	-	-	965,815	965,815
Lease Liabilities	7,058,554	-	-	7,058,554	7,058,554
Other financial liabilities	5,332,693	-	-	5,332,693	5,332,693
Total	13,357,062	-	-	13,357,062	13,357,062

Fair value hierarchy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2022 and 31 March 2021.

19 Financial instruments (Continued)

II. Financial risk management:

Financial risk factors:

The Company's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

a) Market risk

The Company operates in the United States of America and there are no major transactions outside the United States of America. So there is no major market 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 7,161,859 as at 31 March 2022 (31 March 2021: USD 8,336,500) and unbilled revenue amounting to USD 3,905,923 as at 31 March 2022 (31 March 2021 : USD 2,390,745). Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located in United States. 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.

The following table gives details in respect of percentage of revenues generated from top five customers:

	Year Ended	
	31 March 2022	31 March 2021
Revenue from top five customers	69.78%	77.20%

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.

The following are contractual maturities of Lease Liabilities on an undiscounted basis as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022	31 March 2021
Less than one year	948,608	929,635
One to five years	4,749,049	4,935,315
More than five years	2,037,416	2,799,758
Total	7,735,073	8,664,708

Future cash outflows in respect of certain leasehold properties to which the Company is potentially exposed as a lessee that are not reflected in the measurement of the lease liabilities include exposures from options of extension and termination. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Management has considered all relevant facts and circumstances that create an economic incentive for the Company as a lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease as at 31 March 2022. The Company shall revise the lease term when there is a change in the facts and circumstances.

The Company is using the net operational cash flows including cash inflows from the financial assets to manage the liquidity.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021:

Particulars	31 March 2022		31 March 2021	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	736,247	-	965,815	-
Lease liabilities	675,282	5,754,544	628,727	6,429,827
Other financial liabilities	3,284,251	-	5,332,693	-

Firstsource Advantage LLC
Notes to the financial statements (Continued)
as at and for the year ended 31 March 2022
(Currency: In US Dollar)

20 Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 22 are summarized below:

Ultimate Holding Company	RPSG Ventures Limited
Holding Company	Firstsource Solutions Limited Firstsource Group USA, Inc. Firstsource Business Process Services LLC
Fellow Subsidiaries (where transactions exist)	Medassist Holding, LLC Firstsource HealthPlans and Healthcare services, LLC Firstsource Solution UK Limited One Advantage LLC Sourcepoint Inc. PatientMatters, LLC American Recovery Service Incorporated (acquired on 29 December 2021)
Directors	Kimberly Nestark Arjun Mitra

Particulars of related party transactions:

Name of the related party	Description	Transaction value during the year ended*	Transaction value during the year ended	Receivable / (Payable) as at	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Firstsource Solutions Limited	Services rendered by business associates and others	13,658,839	12,801,818	-	-
	Brand equity charges	-	-	-	-
	Recovery of expenses	1,282	1,213,789	-	-
	Reimbursement of expenses	779,500	276,475	-	-
	Payable	-	-	(2,193,971)	(3,264,002)
Firstsource Group USA Inc	Recovery of expense	268,744	45,652	-	-
	Reimbursement of expenses	4,142,005	1,921,450	-	-
	Receivable	-	-	12,222,905	12,283,425
Firstsource Health Plans and Healthcare Services, LLC	Recovery of expense	60,507	93,399	-	-
	Reimbursement of expenses	117,070	251,185	-	-
	Receivable / (Payable)	-	-	687	(916,229)
Medassit Holding LLC	Recovery of expense	35,046	168,502	-	-
	Reimbursement of expenses	300,765	32,692	-	-
	Payable	-	-	(20,212)	(41,660)
One Advantage LLC	Recovery of expense	223,799	39,432	-	-
	Reimbursement of expenses	33,828	264,977	-	-
	Receivable	-	-	9,323	178,292
Firstsource Solutions UK Limited	Recovery of expense	66,187	129,167	-	-
	Reimbursement of expenses	-	2,637	-	-
	Payable	-	-	(403)	(79,290)
Sourcepoint Inc.,	Recovery of expense	22,483	5,207	-	-
	Reimbursement of expenses	64,420	-	-	-
	(Payable) / Receivable	-	-	(1,334)	5,055
Patient matters LLC	Recovery of expense	235	-	-	-
	Reimbursement of expenses	-	-	-	-
	Receivable	-	-	81	-
American Recovery Services Incorporated	Recovery of expense	100,000	-	-	-
	Reimbursement of expenses	-	-	-	-
	Receivable	-	-	100,000	-

*Transfer of funds between the Companies is not considered for related party disclosure of transactions during the year

Firstsource Advantage LLC

Notes to the financial statements (Continued)

as at and for the year ended 31 March 2022

(Currency : In US Dollar)

21 Segment reporting

As per Ind AS 108 - Operating Segment, if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements of Firstsource Solutions Limited ('the Holding Company').

22 Computation for calculating diluted earnings per share

	For year ended	
	31 March 2022	31 March 2021
Number of shares considered as basic weighted average shares outstanding	10,000	10,000
Number of shares considered as weighted average shares and potential shares outstanding	10,000	10,000
Net profit after tax attributable to shareholders	1,626,235	4,939,308
Net profit after tax for diluted earnings per share	1,626,235	4,939,308

23 Capital and other commitments and contingent liabilities

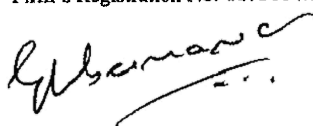
The Company has capital commitments of USD 721,060 as at 31 March 2022 (31 March 2021: USD 387,083). There are no contingent liabilities as at 31 March 2022. (31 March 2021 : USD Nil)

24 Subsequent events

The Company evaluated subsequent events from the balance sheet date through 30 June 2022 and determined there are no material items to report.

As per our report of even date attached.

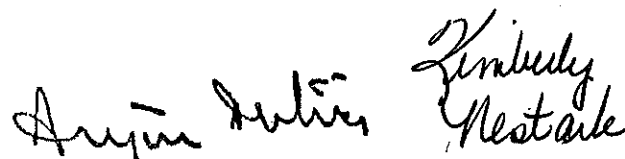
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018



G. K. Subramaniam
Partner
Membership No: 109839

30 June 2022
Mumbai

For and on behalf of the Board of Directors



Arjun Mitra Kimberly Nestark
Director Director