

**Firstsource Process Management Services Limited**

Standalone Financial Statements  
together with the Independent Auditor's Report  
for the year ended 31 March 2022

# Firstsource Process Management Services Limited

## **Standalone Financial Statements together with the Independent Auditor's Report**

*for the year ended 31 March 2022*

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# Firstsource Process Management Services Limited

## Balance sheet

as at 31 March 2022

(Currency: In Indian rupees)

	<i>Note</i>	<b>31 March 2022</b>	31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Income tax assets (net)	10	300,143	518,064
<b>Total non-current assets</b>		<b>300,143</b>	<b>518,064</b>
<b>Current assets</b>			
Financial assets			
Investments	3	33,514,328	32,498,375
Cash and cash equivalents	4	1,448,362	1,863,317
<b>Total current assets</b>		<b>34,962,690</b>	<b>34,361,692</b>
<b>Total assets</b>		<b>35,262,833</b>	<b>34,879,756</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	10,500,000	10,500,000
Other equity	6	24,238,265	23,932,807
<b>Total equity</b>		<b>34,738,265</b>	<b>34,432,807</b>
<b>LIABILITIES</b>			
<b>Current Financial liabilities</b>			
Trade and other payables (Undisputed)	7	259,998	431,199
Other Liabilities		-	15,750
Deferred tax liabilities	10	264,570	-
<b>Total current liabilities</b>		<b>524,568</b>	<b>446,949</b>
<b>Total equity and liabilities</b>		<b>35,262,833</b>	<b>34,879,756</b>

### 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

**Sanjiv V. Pilgaonkar**

*Partner*

Membership No: 39826

For and on behalf of the Board of Directors of  
**Firstsource Process Management Services Limited**

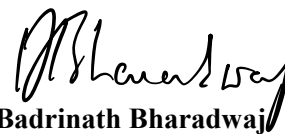
**Vipul Khanna**

*Director*



**Dinesh Jain**

*Director*



**Badrinath Bharadwaj**

*Director*



**Sweta Shah**

*Company Secretary*

Mumbai  
5 May 2022

Mumbai  
5 May 2022

Firstsource Process Management Services Limited

**Statement of profit and loss**

for the year ended 31 March 2022

(Currency: In Indian rupees)

	Note	Year ended	
		31 March 2022	31 March 2021
<b>INCOME</b>			
Other income	8	1,121,099	946,288
<b>Total income</b>		<b>1,121,099</b>	<b>946,288</b>
<b>EXPENSES</b>			
Other expenses	9	45,474	79,782
<b>Total expenses</b>		<b>45,474</b>	<b>79,782</b>
<b>Profit before taxation</b>		<b>1,075,625</b>	<b>866,506</b>
<b>Tax expense</b>			
Current tax	10	505,598	225,292
Deferred tax		264,570	-
<b>Profit for the year</b>		<b>305,457</b>	<b>641,214</b>
<b>Total other comprehensive income for the year</b>		<b>305,457</b>	<b>641,214</b>
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		0.29	0.61
Diluted		0.29	0.61

**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

**Sanjiv V. Pilgaonkar**

Partner

Membership No: 39826

Mumbai

5 May 2022

For and on behalf of the Board of Directors of  
Firstsource Process Management Services Limited

**Vipul Khanna**

Director

  
**Badrinath Bharadwaj**  
Director

  
**Dinesh Jain**  
Director

  
**Sweta Shah**  
Company Secretary

Mumbai

5 May 2022

Firstsource Process Management Services Limited  
**Statement of changes in equity (continued)**

for the year ended 31 March 2022

(Currency: In Indian rupees)

**Equity share capital and other equity**

	Equity share capital	Securities premium	Retained earnings	Total
Balance as at 1 April 2021	10,500,000	90,000,000	(66,067,193)	34,432,807
Other comprehensive income for the year	-	-	-	-
Profit for the year	-	-	305,457	305,457
<b>Balance at the end of the 31 March 2022</b>	<b>10,500,000</b>	<b>90,000,000</b>	<b>(65,761,735)</b>	<b>34,738,265</b>

	Equity share capital	Securities premium	Retained earnings	Total
Balance as at 1 April 2020	10,500,000	90,000,000	(66,708,407)	33,791,593
Other comprehensive income for the year	-	-	-	-
Profit for the year	-	-	641,214	641,214
<b>Balance at the end of the 31 March 2021</b>	<b>10,500,000</b>	<b>90,000,000</b>	<b>(66,067,193)</b>	<b>34,432,807</b>

As per our report of even date attached.

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

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

Mumbai  
5 May 2022

For and on behalf of the Board of Directors of  
**Firstsource Process Management Services Limited**

**Vipul Khanna**  
Director

  
**Badrinath Bharadwaj**  
Director

Mumbai  
5 May 2022

  
**Dinesh Jain**  
Director

  
**Sweta Shah**  
Company Secretary

Mumbai  
5 May 2022

# Firstsource Process Management Services Limited

## Statement of cash flows

for the year ended 31 March 2022

(Currency: In Indian rupees)

	31 March 2022	31 March 2021
<b><u>Cash flow from operating activities</u></b>		
Profit before tax	1,075,625	866,506
<b>Adjustments for</b>		
Profit on redemption of investments	(1,102,569)	(441,098)
Interest income	(18,530)	(505,190)
<b>Operating cash flow before changes in working capital</b>	<b>(45,474)</b>	<b>(79,782)</b>
<b>Changes in working capital</b>		
Decrease in trade payable, provisions and other current liabilities	(186,951)	(277,049)
<b>Net changes in working capital</b>	<b>(186,951)</b>	<b>(277,049)</b>
<b>Net cash used in operating activities (A)</b>	<b>(232,425)</b>	<b>(356,831)</b>
<b><u>Cash flow from investing activities</u></b>		
Redemption of investment in mutual funds securities	32,584,991	32,941,098
Purchases of investment in mutual funds securities	(32,498,375)	(64,998,375)
Interest received	18,530	508,752
Income taxes paid	(287,676)	(264,674)
<b>Net cash used in investing activities (B)</b>	<b>(182,530)</b>	<b>(31,813,199)</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>(414,955)</b>	<b>(32,170,030)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,863,317</b>	<b>34,033,347</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,448,362</b>	<b>1,863,317</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 2022	31 March 2021
Balances with banks		
- in current accounts	1,448,362	1,863,317
<b>Cash and cash equivalents</b>	<b>1,448,362</b>	<b>1,863,317</b>

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**Sanjiv V. Pilgaonkar**

Partner

Membership No: 39826


Mumbai

5 May 2022

For and on behalf of the Board of Directors of  
Firstsource Process Management Services Limited

**Vipul Khanna**

Director

  
**Badrinath Bharadwaj**  
Director

**Dinesh Jain**

Director

  
**Sweta Shah**

**Sweta Shah**  
Company Secretary

Mumbai

5 May 2022

## Firstsource Process Management Services Limited

### Notes to the financial statements

as at and for the year ended 31 March 2022

(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 was established to provide the entire range of information technology (IT) and IT enabled computing solutions and services, consultancy services and delivering technology-driven business solutions. As the Company has not carried out any business during the past few years, pending reinitiation of business activities, the funds of the Company have been temporarily invested in mutual funds and cash equivalents. Therefore, until business activities recommence, the financial assets of the Company are expected to exceed 50% of its total assets and financial income of the Company is expected to exceed 50% of its gross income.

As the Company is not engaged in the business of financing, acquisition of marketable securities, hire purchase, insurance, managing, conducting or supervising chits or kuries or collecting monies by way of subscription or sale of financial instruments, accepting deposits or lending, it is not construed as a "financial institution" as defined in Section 451 (c) or a non-banking financial company as defined in Section 451 (f) of the Reserve Bank of India Act, 1934.

The Functional currency of the Company is Indian Rupees (INR)

#### 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

as at and for the year ended 31 March 2022

(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

as at and for the year ended 31 March 2022

(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

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 37 – Provisions, Contingent Liabilities and Contingent Assets

b) 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 Process Management Services Limited

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

as at 31 March 2022

(Currency: In Indian rupees)

31 March 2022      31 March 2021

### 3) Investments

#### Current

Investments carried at fair value through statement of profit and loss

Mutual funds (quoted)

33,514,328      32,498,375

33,514,328      32,498,375

### 4) Cash and cash equivalents

Balances with banks

in current accounts

1,448,362      1,863,317

1,448,362      1,863,317

Firstsource Process Management Services Limited

Notes to the financial statements (continued)

as at 31 March 2022

(Currency: In Indian rupees)

31 March 2022 31 March 2021

5) Share capital

Authorised

1,500,000 (31 March 2021: 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 2021: 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 2022		31 March 2021	
	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 2022		31 March 2021	
	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 2022		31 March 2021	
	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 2022

(Currency: In Indian rupees)

31 March 2022      31 March 2021

6) **Other equity**

**Securities premium account**

At the commencement of the year

90,000,000      90,000,000

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

(66,067,193)      (66,708,407)

Add: Net profit for the year

305,457      641,214

At the end of the year

(65,761,735)      (66,067,193)

24,238,265      23,932,807

Firstsource Process Management Services Limited  
 (formerly known as 'Anunta Tech Infrastructure Services Limited')  
**Notes to the financial statements (continued)**  
 for the year ended 31 March 2022  
 (Currency: In Indian rupees)

7) Trade and other payables (Undisputed)

31 March 2022 31 March 2021

- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	259,998	431,199
	<u>259,998</u>	<u>431,199</u>

Trade payables Ageing Schedule  
 As at 31 March 2022

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises						-
Total outstanding dues of creditors other than micro enterprises and small enterprises	259,998	-	-	-	-	259,998
<b>Total</b>	<b>259,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>259,998</b>

As at 31 March 2021

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises						-
Total outstanding dues of creditors other than micro enterprises and small enterprises	431,199	-	-	-	-	431,199
<b>Total</b>	<b>431,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>431,199</b>

There are no disputed dues to MSME and others as on 31st March 2022 and 31st March 2021.

Firstsource Process Management Services Limited  
**Notes to the financial statements (continued)**

for the year ended 31 March 2022

(Currency: In Indian rupees)

	Year Ended	
	31 March 2022	31 March 2021
<b>8) Other income</b>		
Profit on redemption of current investments (including gain on fair valuation of Investments)	1,102,569	441,098
Interest income	18,530	505,190
	<b>1,121,099</b>	<b>946,288</b>

<b>9) Other expenses</b>		
Legal and professional fees, net	(56,150)	(79,800)
Payment to auditors		
- as audit fees	100,000	100,000
Bank administration charges	1,625	3,242
Rates and taxes	-	56,340
	<b>45,474</b>	<b>79,782</b>

**10)** A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	Year Ended	
	31 March 2022	31 March 2021
Profit before income taxes	1,075,625	866,506
Enacted tax rates in India	26.00%	26.00%
Computed expected tax expense	279,663	225,292
Tax on expenses disallowed	45,474	20,743
Tax charge due to availment of amnesty scheme	478,682	-
Income charged at different rate	(33,651)	(20,743)
<b>Income tax expense</b>	<b>770,168</b>	<b>225,292</b>

**Note**

Unabsorbed Business Loss is Rs 133,758 (P.Yr. Rs 133,758)

	31 March 2022	31 March 2021
<b>Income tax asset</b>		
Advance tax (net)	300,143	518,064
	<b>300,143</b>	<b>518,064</b>

Taxation	Opening Balance	Recognised in Profit and loss	Closing Balance
Deferred tax liabilities on account of Gain on fair valuation of Investments	-	264,570	264,570
Total	-	264,570	264,570

**Income tax expense**

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

	Year ended	
	31 March 2022	31 March 2021
Current taxes	505,598	225,292
Deferred taxes	264,570	-
Income tax expense	<b>770,168</b>	<b>225,292</b>

Firstsource Process Management Services Limited

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

for the year ended 31 March 2022

(Currency: In Indian rupees)

**11) 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
<b>Financial assets</b>					
Cash and cash equivalents	1,448,362	-	-	1,448,362	1,448,362
Investments	-	33,514,328	-	33,514,328	33,514,328
<b>Total</b>	<b>1,448,362</b>	<b>33,514,328</b>	<b>-</b>	<b>34,962,690</b>	<b>34,962,690</b>
<b>Financial liabilities</b>					
Trade and other payables	259,998	-	-	259,998	259,998
<b>Total</b>	<b>259,998</b>	<b>-</b>	<b>-</b>	<b>259,998</b>	<b>259,998</b>

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
<b>Financial assets</b>					
Investments	-	32,498,375	-	-	32,498,375
Cash and cash equivalents	1,863,317	-	-	1,863,317	1,863,317
<b>Total</b>	<b>1,863,317</b>	<b>32,498,375</b>	<b>-</b>	<b>1,863,317</b>	<b>34,361,692</b>
<b>Financial liabilities</b>					
Trade and other payables	431,199	-	-	431,199	431,199
<b>Total</b>	<b>431,199</b>	<b>-</b>	<b>-</b>	<b>431,199</b>	<b>431,199</b>

Firstsource Process Management Services Limited

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

for the year ended 31 March 2022

(Currency: In Indian rupees)

**11) 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 2022:

	As of 31 March 2022	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	33,514,328	33,514,328	-	-
<b>Total</b>	<u>33,514,328</u>	<u>33,514,328</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 2021:

	As of 31 March 2021	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	32,498,375	32,498,375	-	-
<b>Total</b>	<u>32,498,375</u>	<u>32,498,375</u>	<u>-</u>	<u>-</u>



Firstsource Process Management Services Limited

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

for the year ended 31 March 2022

(Currency: In Indian rupees)

**12) 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.

**13) Related party transactions**

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

**14) 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	1,050,000	1,050,000
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	305,457	641,214
Net profit after tax for diluted earnings per share	305,457	641,214
* Not considered when anti-dilutive		

**15) Contingent Liabilities**

*Direct tax matters*

Income tax demands amounting to Rs. Nil (31 March 2021: 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 2022

(Currency: In Indian rupees)

16) Corporate social responsibility (CSR)

Provisions of Section 135 of The Companies Act, 2013 as regards applicability of Corporate Social Responsibility is not applicable to the Company.

17) Ratio Analysis and its elements

Applicable ratios	Numerator	Denominator	31 March 2022	31 March 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	66.65	76.88	-13%	
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.01	0.01	-6%	
Return on Investments	Income generated from invested funds	Average invested funds in treasury investments	0.03	0.03	23%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	0.03	0.03	23%	

18) Subsequent events

The Board of Directors at the meeting held on 5 May 2022 approved the financial statements of the Company for the year ended 31 March 2022. The Company evaluated subsequent events from the balance sheet date through 5 May 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

Sanjiv V. Pilgaonkar  
Partner  
Membership No: 39826

Mumbai  
5 May 2022

For and on behalf of the Board of Directors of  
Firstsource Process Management Services Limited

Vipul Khanna  
Director

Dinesh Jain  
Director

Badrinath Bharadwaj  
Director

Sweta Shah  
Company Secretary

Mumbai  
5 May 2022