

**Firstsource Group USA, Inc.**

Special Purpose Financial Statements  
together with the Independent Auditor's Report  
for the year ended 31 March 2020

# **Firstsource Group USA, Inc.**

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

*for the year ended 31 March 2020*

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# Firstsource Group USA, Inc.

## Balance sheet

as at 31 March 2020

(Currency : In US Dollar)

	Note	31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	75,088	110,181
Other intangible assets	4	20,158	214,864
<b>Financial assets</b>			
Investments	5	392,297,835	392,297,835
<b>Total non-current assets</b>		<b>392,393,081</b>	<b>392,622,880</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	2,467,648	1,619,618
Cash and cash equivalents	9	2,492,903	273,661
Other financial assets	6	8,403,118	8,747,964
Other current assets	7	493,361	88,351
<b>Total current assets</b>		<b>13,857,030</b>	<b>10,729,594</b>
<b>Total assets</b>		<b>406,250,111</b>	<b>403,352,474</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	257,039	218,483
Other equity	12	282,855,992	225,836,077
<b>Total equity</b>		<b>283,113,031</b>	<b>226,054,560</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Long-term borrowings	13(i)	15,000,000	91,000,000
Other financial liabilities	14(i)	12,626	12,626
Deferred Tax Liabilities (net)	10	8,037,270	4,985,880
<b>Total non-current liabilities</b>		<b>23,049,896</b>	<b>95,998,506</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Short-term borrowings	13(ii)	50,000,000	39,815,069
Trade payables		360,307	334,238
Other financial liabilities	14(ii)	48,936,329	40,559,976
Provisions for employee benefits	15	80,311	76,377
Other current liabilities	16	32,656	9,894
Provision for tax (net)	10	677,581	503,854
<b>Total current liabilities</b>		<b>100,087,184</b>	<b>81,299,408</b>
<b>Total equity and liabilities</b>		<b>406,250,111</b>	<b>403,352,474</b>

### Significant accounting policies

The accompanying notes from 1 to 27 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

Sd/-

**G.K. Subramaniam**

Partner

Membership No: 109839

Mumbai

9 July 2020

For and on behalf of the Board of Directors

Firstsource Group USA, Inc.

Sd/-

**Vipul Khanna**

Director

Sd/-

**Arjun Mitra**

Director

Sd/-

**Pratip Chaudhuri**

Director

Firstsource Group USA, Inc.

**Statement of profit and loss**

for the year ended 31 March 2020

(Currency : In US Dollar)

		Year ended	
	Note	31 March 2020	31 March 2019
<b>INCOME</b>			
Revenue from operations	17	8,757,526	12,790,193
Other income, net	18	(662)	53,324,810
<b>Total income</b>		<b>8,756,864</b>	<b>66,115,003</b>
<b>EXPENSES</b>			
Service Rendered by Business Associate and Others		5,323,779	9,721,193
Employee benefits expenses	19	2,757,298	792,813
Finance costs	20	2,381,547	2,395,516
Depreciation and amortization expense	3, 4	316,527	573,449
Other expenses	21	2,358,606	4,496,740
<b>Total expenses</b>		<b>13,137,757</b>	<b>17,979,711</b>
<b>(Loss) / Profit before tax</b>		<b>(4,380,893)</b>	<b>48,135,292</b>
<b>Tax expense</b>			
Current tax	10	509,246	123,916
Deferred tax	10	3,685,075	2,606,448
<b>(Loss) / Profit for the year</b>		<b>(8,575,214)</b>	<b>45,404,928</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(8,575,214)</b>	<b>45,404,928</b>
Weighted average number of equity shares outstanding during the year			
Basic	25	238,498	218,483
Diluted	25	238,498	218,483
Earnings per equity share			
Basic		(35.96)	207.82
Diluted		(35.96)	207.82

**Significant accounting policies**

The accompanying notes from 1 to 27 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

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**G.K. Subramaniam**

Partner

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Sd/-

**Vipul Khanna**

Director

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**Arjun Mitra**

Director

Sd/-

**Pratip Chaudhuri**

Director

Firstsource Group USA, Inc.

**Statement of changes in equity**

for the year ended 31 March 2020

(Currency : In US Dollar)

**Equity share capital and other equity**

	Attributable to owners of the Company			Total
	Reserve and surplus			
	Equity share capital	Capital contribution	Retained earnings	
Balance as at 1 April 2019	218,483	-	225,836,077	226,054,560
Capital contribution during the year	38,556	64,961,444	-	65,000,000
Transition impact on adoption of Ind AS 116 (Refer Note 2.8)	-	-	633,685	633,685
Loss for the year	-	-	(8,575,214)	(8,575,214)
<b>Balance as at 31 March 2020</b>	<b>257,039</b>	<b>64,961,444</b>	<b>217,894,548</b>	<b>283,113,031</b>

	Attributable to owners of the Company			Total
	Reserve and surplus			
	Equity share capital	Capital contribution	Retained earnings	
Balance as at 1 April 2018	218,483	-	180,431,149	180,649,632
Profit for the year	-	-	45,404,928	45,404,928
<b>Balance as at 31 March 2019</b>	<b>218,483</b>	<b>-</b>	<b>225,836,077</b>	<b>226,054,560</b>

As per our report of even date attached.

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

Sd/-

**G.K. Subramaniam**  
Partner  
Membership No: 109839

Mumbai  
9 July 2020

For and on behalf of the Board of Directors  
Firstsource Group USA, Inc.

Sd/-

**Vipul Khanna**  
Director

Sd/-

Sd/-  
**Arjun Mitra**  
Director

**Pratip Chaudhuri**  
Director

# Firstsource Group USA, Inc.

## Statement of cash flows

for the year ended 31 March 2020

(Currency : In US Dollar)

	31 March 2020	31 March 2019
<b><u>Cash flow from operating activities</u></b>		
Net (Loss) / Profit before taxation	(4,380,893)	48,135,292
<b>Adjustments for</b>		
Depreciation and amortisation	316,527	573,449
Dividend income	-	(54,000,000)
Finance costs	2,381,547	2,395,516
Loss on sale of Fixed Assets	624	-
<b>Operating cash flow before changes in working capital</b>	<b>(1,682,195)</b>	<b>(2,895,743)</b>
<b>Changes in working capital</b>		
Increase in trade receivables	(848,030)	(658,031)
(Increase) / decrease in loans and advances and other assets	(60,164)	24,455,156
Increase / (decrease) in liabilities and provisions	8,526,346	(57,822,916)
<b>Net changes in working capital</b>	<b>7,618,152</b>	<b>(34,025,791)</b>
Income taxes paid	(335,519)	(301,930)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>5,600,438</b>	<b>(37,223,464)</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase of property plant and equipment and intangible assets	(153,343)	(162,334)
Dividend received from subsidiaries	-	54,000,000
Investments made during the year	-	(3,000,000)
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(153,343)</b>	<b>50,837,666</b>
<b><u>Cash flow from financing activities</u></b>		
Proceeds from / (repayment of) short term borrowings	10,184,931	(487,721)
Repayment of long term borrowings	(76,000,000)	(59,703,271)
Proceeds from long term Borrowings	-	45,000,000
Proceeds from capital contribution	65,000,000	-
Interest paid	(2,412,784)	(2,255,894)
<b>Net cash used in financing activities (C)</b>	<b>(3,227,853)</b>	<b>(17,446,886)</b>
<b>Net increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)</b>	<b>2,219,242</b>	<b>(3,832,684)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>273,661</b>	<b>4,106,345</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,492,903</b>	<b>273,661</b>

### Notes to the cash flow statement

Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	31 March 2020	31 March 2019
Cash on hand	-	-
Balances with banks	-	-
- in current accounts	2,492,903	273,661
<b>Cash and cash equivalents</b>	<b>2,492,903</b>	<b>273,661</b>

# Firstsource Group USA, Inc.

## Statement of cash flows

for the year ended 31 March 2020

(Currency : In US Dollar)

### Reconciliation of liabilities from financing activities for the year ended 31 March 2020

Particulars	As at		Repayment	As at	
	31 March 2019	Proceeds		31 March 2020	
Long Term Borrowings	91,000,000	-	(76,000,000)	15,000,000	
Short Term Borrowings	39,815,069	10,184,931	-	50,000,000	
Total Liabilities from financing activities	130,815,069	10,184,931	(76,000,000)	65,000,000	

### Reconciliation of liabilities from financing activities for the year ended 31 March 2019

Particulars	As at		Repayment	As at	
	31 March 2018	Proceeds		31 March 2019	
Long Term Borrowings	105,703,271	45,000,000	(59,703,271)	91,000,000	
Short Term Borrowings	40,302,790	-	(487,721)	39,815,069	
Total Liabilities from financing activities	146,006,061	45,000,000	(60,190,992)	130,815,069	

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

For and on behalf of the Board of Directors

**Firstsource Group USA, Inc.**

Sd/-

**G.K. Subramaniam**

Partner

Membership No: 109839

Mumbai

9 July 2020

Sd/-

**Vipul Khanna**

Director

Sd/-

**Arjun Mitra**

Director

Sd/-

**Pratip Chaudhuri**

Director

# Firstsource Group USA, Inc.

## Notes to the financial statements

for the year ended 31 March 2020

### 1 Company overview

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

#### Basis of Preparation and Statement of Compliance

These special purpose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and and relevant amendment rules issued thereunder.

These special purpose financial statements have been prepared for the limited purpose of facilitating the preparation of the consolidated financial statements of Firstsource Solutions Limited, the Holding Company, as at and for the year ended March 31, 2020 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist Firstsource Solutions Limited the Holding Company to comply with the requirements of section 129(3) of the Act.

These special purpose financial statements were approved by the Board of Directors of Firstsource Solutions Limited the Holding Company, and authorised for issue on 26 May 2020.

### 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 Income taxes

The Company's major tax jurisdiction is United States of America. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note 2.8.

##### b Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

##### c Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and identification of lease requires significant judgement. Ind AS 116 additionally requires lessees to determine the lease term as the non-cancellable period of lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future periods is reassessed to ensure the lease term reflects the current economic circumstances.

#### 2.2 Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115 'Revenue from contracts with customers' using the cumulative catch-up transition method which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The adoption of the standard did not have any material impact to the financial statements of the Company.

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

Each distinct service, results in a simultaneous benefit to the corresponding customer. Also, the Company has an enforceable right to payment from the customer for the performance completed to date. Revenue from unit price based contracts is measured by multiplying the units of output delivered with the agreed transaction price per unit while in case of time and material based contracts, revenue is the product of the efforts expended and the agreed transaction price per unit. The Company continually reassesses the estimated discounts, rebates, price concessions, refund, credits, incentives, performance bonuses, etc., (variable consideration) 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 Group USA, Inc.

### Notes to the financial statements

for the year ended 31 March 2020

## 2 Significant accounting policies (continued)

### 2.3 Property, plant and equipment and Intangible assets

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)
<b>Tangible assets</b>	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Computers*	2 – 4
Service equipment*	2 – 5
Office equipment*	2 – 5
Furniture and fixtures*	2 – 5
<b>Intangible assets</b>	
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.

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

### 2.4 Impairment

#### a. Financial assets

The Company recognises loss allowances using the expected credit loss ('ECL') model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

#### b. Non-financial assets

##### Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ('CGU') to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

### 2.5 Leases

Effective 1 April 2019 (date of initial application), the Company has adopted the Indian Accounting Standard 116 on Leases ('Ind AS 116'), which replaces the existing lease standard Indian Accounting Standard 17 on Leases ('Ind AS 17'). The adoption of the standard did not have any material impact to the financial statements of the Company. The Company has not restated comparative information.

## **Firstsource Group USA, Inc.**

### **Notes to the financial statements**

*for the year ended 31 March 2020*

## **2 Significant accounting policies (continued)**

### **2.6 Foreign Currency transactions**

#### **Functional currency**

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

#### **Transactions and translations**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

### **2.7 Employee benefits**

#### **a) Post employment benefits**

##### *Defined contribution plans*

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

##### *Compensated absences*

Provision for compensated absence cost has been made on eligible vacation balances at balance sheet date.

Employees of the Company are entitled to compensated absences to be utilised within one calendar year. The employees can receive cash compensation at termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement.

### **2.8 Income Taxes**

#### *Current Income taxes and deferred income tax*

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are 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 the Company in its financial statements.

The Company has recognised deferred tax asset of USD 633,685 on account of transition to Ind AS 116, as an adjustment in retained earnings. This deferred tax pertains to impact on adoption of Ind AS 116 by all the subsidiaries of the Company.

### **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.

## **Firstsource Group USA, Inc.**

### **Notes to the financial statements**

for the year ended 31 March 2020

## **2 Significant accounting policies (continued)**

### **2.11 Financial instruments (continued)**

#### **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 the statement of profit and loss.

###### **v) Financial liabilities**

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

###### **vi) Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

##### **b) Share capital**

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

#### **2.11.3 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 instrument**

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

### **2.12 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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **2.13 Onerous contracts**

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

### **2.14 Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered, net of provisions established.

Firstsource Group USA, Inc.

Notes to the financial statements (Continued)

as at 31 March 2020

(Currency : In US Dollar)

3 Property, plant and equipment

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
<b>Gross block</b>						
As at 1 April 2019	3,681,175	1,184,037	750,860	189,004	621,574	6,426,650
Additions / adjustments during the year	19,744	9,548	5,515	18,044	20,948	73,799
Deletions during the year	-	(1,084)	-	-	-	(1,084)
As at 31 March 2020	3,700,919	1,192,501	756,375	207,048	642,522	6,499,365
<b>Accumulated depreciation / amortization</b>						
As at 1 April 2019	3,590,751	1,179,042	746,884	178,767	621,025	6,316,469
Charge for the year	90,337	5,806	2,530	7,523	2,072	108,268
On deletions / adjustments during the year	-	(460)	-	-	-	(460)
As at 31 March 2020	3,681,088	1,184,388	749,414	186,290	623,097	6,424,277
<b>Net block</b>						
As at 31 March 2020	19,831	8,113	6,961	20,758	19,425	75,088
As at 31 March 2019	90,424	4,995	3,976	10,237	549	110,181

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
<b>Gross block</b>						
As at 1 April 2018	3,681,175	1,184,037	750,860	202,511	621,574	6,440,157
Deletions during the year	-	-	-	(13,507)	-	(13,507)
As at 31 March 2019	3,681,175	1,184,037	750,860	189,004	621,574	6,426,650
<b>Accumulated depreciation / amortization</b>						
As at 1 April 2018	3,440,005	1,142,852	744,575	183,263	620,736	6,131,431
Charge for the year	150,746	36,190	2,309	9,011	289	198,545
On deletions	-	-	-	(13,507)	-	(13,507)
As at 31 March 2019	3,590,751	1,179,042	746,884	178,767	621,025	6,316,469
<b>Net block</b>						
As at 31 March 2019	90,424	4,995	3,976	10,237	549	110,181
As at 31 March 2018	241,170	41,185	6,285	19,248	838	308,726

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
*as at 31 March 2020*  
(Currency : In US Dollar)

**4 Other intangible assets**

	Software	Total
<b>Gross block</b>		
As at 1 April 2019	1,572,156	1,572,156
Additions	13,553	13,553
As at 31 March 2020	<u>1,585,709</u>	<u>1,585,709</u>
<b>Accumulated depreciation / amortization</b>		
As at 1 April 2019	1,357,292	1,357,292
Charge for the year	208,259	208,259
As at 31 March 2020	<u>1,565,551</u>	<u>1,565,551</u>
<b>Net block</b>		
As at 31 March 2020	20,158	20,158
As at 31 March 2019	214,864	214,864

	Software	Total
<b>Gross block</b>		
As at 1 April 2018	1,772,654	1,772,654
Deletions during the year	(200,498)	(200,498)
As at 31 March 2019	<u>1,572,156</u>	<u>1,572,156</u>
<b>Accumulated depreciation / amortization</b>		
As at 1 April 2018	1,182,886	1,182,886
Charge for the year	374,904	374,904
On deletions	(200,498)	(200,498)
As at 31 March 2019	<u>1,357,292</u>	<u>1,357,292</u>
<b>Net block</b>		
As at 31 March 2019	214,864	214,864
As at 31 March 2018	589,768	589,768

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
*as at 31 March 2020*  
(Currency: In US Dollar)

<b>5 Investments</b>	<b>31 March 2020</b>	31 March 2019
<b>Non-current</b>		
<b>Unquoted</b>		
<b>Investments carried at cost (Investment in equity instruments of subsidiaries)</b>		
Investment in MedAssist Holding Inc. - 992 equity shares (31 March 2019 992 equity shares)	<b>346,518,624</b>	346,518,624
Investment in Firstsource Business Process Services Limited. -100%, voting rights (31 March 2019: 100% voting rights)	<b>29,088,000</b>	29,088,000
Investment in Sourcepoint, Inc.(formerly known as ISGN Solutions, Inc.)		
Equity share capital - 733 voting common stock (31 March 2019: 733 voting common stock)	<b>13,691,211</b>	13,691,211
Capital contribution	<b>3,000,000</b>	3,000,000
	<b>392,297,835</b>	392,297,835

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
*as at 31 March 2020*  
(Currency : In US Dollar)

	31 March 2020	31 March 2019
<b>6 Other current financial assets</b>		
Unbilled revenues	387,322	145,139
Advance to related parties	8,015,796	8,602,825
	<u>8,403,118</u>	<u>8,747,964</u>
<b>7 Other current assets</b>		
Prepaid expenses	493,361	87,081
Other advances	-	1,270
	<u>493,361</u>	<u>88,351</u>
<b>8 Trade receivables</b>		
Considered good	2,467,648	1,619,618
	<u>2,467,648</u>	<u>1,619,618</u>

- a) Trade receivables are non interest bearing.  
b) No trade or other receivables are due from directors or other officers of the Company, either severally or jointly.  
c) For receivables from related parties, refer note 23.

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
as at 31 March 2020  
(Currency : In US Dollar)

	31 March 2020	31 March 2019
<b>9 Cash and cash equivalents</b>		
Balances with banks		
-in current accounts	2,492,903	273,661
	<u>2,492,903</u>	<u>273,661</u>

**10 Taxation**

i) Deferred Tax

	31 March 2020	31 March 2019
<b>Deferred tax assets on account of:</b>		
Property, plant and equipment and intangibles	(272,556)	200,142
Lease liabilities	736,219	-
Compensated absences	1,698,418	1,521,650
Accrued expenses / allowance for doubtful debts	698,515	590,632
Business losses carried forward	38,502,358	41,401,604
	<u>41,362,954</u>	<u>43,714,028</u>

**Deferred tax liability on account of:**

Goodwill	49,400,224	48,699,908
	<u>49,400,224</u>	<u>48,699,908</u>

Net Deferred tax liability	8,037,270	4,985,880
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ii) Income Tax liability

Advance tax and tax deducted at source (net)	(1,412,494)	(1,076,972)
Provision for tax (net)	2,090,075	1,580,826
	<u>677,581</u>	<u>503,854</u>

**Income tax expense**

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

	Year ended	
	31 March 2020	31 March 2019
Current taxes	509,246	123,916
Deferred taxes	3,685,075	2,606,448
<b>Income tax expense</b>	<u>4,194,321</u>	<u>2,730,364</u>

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

	Year ended	
	31 March 2020	31 March 2019
<b>Profit before income taxes</b>	<b>30,355,446</b>	23,789,992
Enacted tax rates in United States of America	22.72%	23.37%
Computed expected tax expense	6,896,757	5,559,721
Effect of change in tax rates	126,790	(1,687,712)
Expenses not deductible for tax purposes	69,731	-
Impact of Tax losses utilised in excess of carrying value of corresponding deferred tax assets	(2,898,957)	(409,228)
Previous years tax adjustments	-	(374,084)
Others	-	(358,333)
<b>Income tax expense</b>	<b>4,194,321</b>	2,730,364



Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**

as at 31 March 2020  
(Currency : In US Dollar)

	31 March 2020	31 March 2019
<b>11 Share capital</b>		
<b>Authorised</b>		
300,000 voting common stock(31 March 2019: 218,483 common stock) fully paid-up of USD 1 each	<b>300,000</b>	218,483
100,000 non-voting common stock(31 March 2019: Nil common stock) fully paid-up of USD 1 each	<b>100,000</b>	-
	<b>400,000</b>	218,483
<b>Issued, subscribed and paid-up</b>		
218,483 voting common stock(31 March 2019: 218,483 common stock) fully paid-up of USD 1 each	<b>218,483</b>	218,483
38,556 non-voting common stock(31 March 2019: Nil common stock) fully paid-up of USD 1 each	<b>38,556</b>	-
	<b>257,039</b>	218,483

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

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	218,483	218,483	218,483	218,483
Add: Capital contribution during the year	38,556	38,556	-	-
At the end of the year	257,039	257,039	218,483	218,483

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

	31 March 2020		31 March 2019	
	Number of shares	% of total shares	Number of shares	% of total shares
Firstsource Solutions Limited	218,483	85.00%	218,483	100.00%
Firstsource Solution UK Limited	38,556	15.00%	-	-

c) **Rights, preferences and restrictions attached to equity shares**

The Company has two classes of equity shares - voting and non-voting equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. The non-voting equity shares shall have no right to vote except as otherwise required by law.

**12 Other equity**

	31 March 2020	31 March 2019
<b>Capital contribution</b>		
At the commencement of the year	-	-
Add: Movement during the year	<b>64,961,444</b>	-
At the end of the year	<b>64,961,444</b>	-
<b>Retained Earnings</b>		
At the commencement of the year	<b>225,836,077</b>	180,431,149
Transition impact on adoption of Ind AS 116 (Refer Note 2.8)	<b>633,685</b>	-
Add: Net profit for the year	<b>(8,575,214)</b>	45,404,928
At the end of the year	<b>217,894,548</b>	225,836,077
<b>Total other equity</b>	<b>282,855,992</b>	225,836,077

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
as at 31 March 2020  
(Currency : In US Dollar)

	31 March 2020	31 March 2019
<b>13 Borrowings</b>		
<b>(i) Long term borrowings</b>		
<i>Unsecured</i>		
Loan from Group Companies (refer note 'b')	<b>15,000,000</b>	91,000,000
	<b>15,000,000</b>	91,000,000
<b>(ii) Short-term borrowings</b>		
<i>Unsecured</i>		
Line of Credit from banks (refer note 'a')	<b>50,000,000</b>	39,815,069
	<b>50,000,000</b>	39,815,069
a Line of credit from bank carries interest in the range of 2.77% to 5%.		
b Unsecured Loan from Firstsource UK Limited at an interest rate of 4.25%. The currency risk is secured by a forward exchange contract.		
<b>14 Other financial liabilities</b>		
<b>(i) Other non current financial liabilities</b>		
Deposits	<b>12,626</b>	12,626
	<b>12,626</b>	12,626
<b>(ii) Other current financial liabilities</b>		
Book credit in bank account	-	77,162
Interest accrued but not due on borrowings	<b>130,090</b>	161,327
Payable to related parties	<b>47,817,035</b>	38,515,383
Current Maturities of long-term borrowings		
Finance lease obligation	-	65,991
Employee benefit payable	<b>455,173</b>	100,102
Foreign currency forward contract	<b>534,031</b>	1,640,011
	<b>48,936,329</b>	40,559,976
<b>15 Provision for employee benefits</b>		
<b>Current</b>		
Compensated absences	<b>80,311</b>	76,377
	<b>80,311</b>	76,377
<b>16 Other liabilities</b>		
<b>Other current liabilities</b>		
Statutory Dues	<b>32,656</b>	9,894
	<b>32,656</b>	9,894

# Firstsource Group USA, Inc.

## Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency : In US Dollar)

	Year ended	
	31 March 2020	31 March 2019
<b>17 Revenue from operations</b>		
Sale of services	8,757,526	12,790,193
	<u>8,757,526</u>	<u>12,790,193</u>
<p>The Company provides contact centre and transaction processing services for customers in the healthcare industry and operates in the US geography only.</p> <p>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.</p>		
<b>18 Other income, net</b>		
Foreign exchange gain/(loss), net	(38)	(675,190)
Loss on sale of fixed assets	(624)	-
Dividend from subsidiaries	-	54,000,000
	<u>(662)</u>	<u>53,324,810</u>
<b>19 Employee benefits expenses</b>		
Salaries and wages	2,639,027	779,017
Contribution to social security and other benefits	13,677	3,809
Staff welfare expenses	104,594	9,987
	<u>2,757,298</u>	<u>792,813</u>
<b>20 Finance costs</b>		
Interest expense		
- on term loan	-	1,606,693
- on working capital demand loan and others	2,381,547	1,232,727
Finance charges on leased assets	-	77,790
Foreign exchange (loss) / gain	-	(521,694)
	<u>2,381,547</u>	<u>2,395,516</u>
<b>21 Other expenses</b>		
Allocated corporate cost	906,179	3,180,546
Legal and professional fees	791,704	859,021
Travel and conveyance	214,995	136,978
Connectivity, information and communication expenses	87,296	1,267
Recruitment and training expenses	33,664	-
Rent <sup>#</sup>	90,553	116,386
Printing and stationery	11,715	667
Rates and taxes	5,820	-
Insurance	4,921	-
Computer expenses	4,097	2,621
Repairs, maintenance and upkeep	450	10,508
Car and other hire charges	-	25,224
Marketing and support expense	-	747
Miscellaneous expenses	207,212	162,775
	<u>2,358,606</u>	<u>4,496,740</u>

# Rent includes expense towards low value lease payments amounting to USD 28,859 and common area maintenance charges for leased properties amounting to USD 4,727 during the year ended 31 March 2020. Further USD 56,967 is netted off as recovery of rent from fellow subsidiaries.

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
for the year ended 31 March 2020  
(Currency: In US Dollar)

**22) Financial instruments**

**I. Financial instruments by category:**

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

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Trade receivables	2,467,648	-	-	2,467,648	2,467,648
Cash and cash equivalents	2,492,903	-	-	2,492,903	2,492,903
Other financial assets	8,403,118	-	-	8,403,118	8,403,118
<b>Total</b>	<b>13,363,669</b>	<b>-</b>	<b>-</b>	<b>13,363,669</b>	<b>13,363,669</b>
<b>Financial liabilities</b>					
Borrowings	65,000,000	-	-	65,000,000	65,000,000
Other financial liabilities	48,414,924	534,031	-	48,948,955	48,948,955
Trade payables	360,307	-	-	360,307	360,307
<b>Total</b>	<b>113,775,231</b>	<b>534,031</b>	<b>-</b>	<b>114,309,262</b>	<b>114,309,262</b>

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

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Trade receivables	1,619,618	-	-	1,619,618	1,619,618
Cash and cash equivalents	273,661	-	-	273,661	273,661
Other financial assets	8,747,964	-	-	8,747,964	8,747,964
<b>Total</b>	<b>10,641,243</b>	<b>-</b>	<b>-</b>	<b>10,641,243</b>	<b>10,641,243</b>
<b>Financial liabilities</b>					
Borrowings	130,815,069	-	-	130,815,069	130,815,069
Other financial liabilities	38,932,591	1,640,011	-	40,572,602	40,572,602
Trade payables	334,238	-	-	334,238	334,238
<b>Total</b>	<b>170,081,898</b>	<b>1,640,011</b>	<b>-</b>	<b>171,721,909</b>	<b>171,721,909</b>

**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 31 March 2020:

	As	Fair value measurement at end of the reporting period using		
	31 March 2020	Level 1	Level 2	Level 3
<b>Investments</b>				
Investment in equity instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign currency forward contract	(534,031)	-	(534,031)	-

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

	As of	Fair value measurement at end of the reporting period using		
	31 March 2019	Level 1	Level 2	Level 3
<b>Investments</b>				
Investment in equity instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign currency forward contract	(1,640,011)	-	(1,640,011)	-

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

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

Firstsource Group USA, Inc.  
**Notes to the financial statements (Continued)**  
*for the year ended 31 March 2020*  
 (Currency: In US Dollar)

**22) Financial instruments (continued)**

**III. Financial risk management:**

**a) Market risk**

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

**b) Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 2,467,648 and USD 1,619,618 as of 31 March 2020 and 31 March 2019 respectively and unbilled revenue amounting to USD 387,322 and USD 145,139 as of 31 March 2020 and 31 March 2019 respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States of America. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Expected credit losses are accounted on financial assets based on the measurement criteria as defined in the policy. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020 and 31 March 2019:

	31 March 2020		31 March 2019	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	360,307	-	334,238	-
Borrowings	50,000,000	15,000,000	39,815,069	91,000,000
Other Financial Liabilities	48,936,329	12,626	40,559,976	12,626

Firstsource Group USA, Inc.

Notes to the financial statements (Continued)

for the year ended 31 March 2020

(Currency: In US Dollar)

23) Related party transactions

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

Ultimate Holding Company	CESC Ventures Limited (formerly known as RP-SG Business Process Services Limited)
Holding Company	Firstsource Solutions Limited
Fellow Subsidiaries	Firstsource BPO Ireland Limited Firstsource Process Management Services Limited Firstsource Dialog Solutions (Private) Ltd. Firstsource Solution UK Limited Kolkata Games and Sports Private Limited Herbolab India Private Limited Quest Properties India Limited Metromark Green Commodities Private Limited Guilfree Industries Limited Accurate Commodial Private Limited Bowlopedia Restaurants India Limited Apricot Foods Private Limited
Subsidiary wherein control exists	Firstsource Business Process Services LLC Sourcepoint Fulfillment Services, Inc. Sourcepoint, Inc. ISGN Fulfillment Agency, LLC (ceased w.e.f. 24th June 2019) Firstsource Advantage LLC One Advantage LLC Firstsource Solutions USA LLC Firstsource Transaction Services LLC MedAssist Holding LLC
Trust controlled by Ultimate Holding Company	RP-Sanjiv Goenka Group CSR Trust (RPSG CSR Trust)
Directors	Vipul Khanna (appointed w.e.f. 02 August 2019) Rajesh Subramaniam (resigned w.e.f. 31 July 2019) Venkat Raman (resigned w.e.f. 01 June 2020) Arjun Mitra Pratap Chaudhuri

Particulars of related party transactions:

Name of the related party	Description	Transaction value during year ended		Receivable / (Payable) at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Firstsource Solutions Limited	Services rendered by business associates and others	5,323,779	9,721,193	-	-
	Recovery of expenses	348,790	5,403	-	-
	Reimbursement of expenses	907,601	3,187,583	-	-
	Receivable / (Payable)	-	-	(1,412,435)	(9,217,516)
Firstsource UK Limited	Reimbursement of expenses	23,664	1,634,025	-	-
	Recovery of expense	131,408	4,876,779	-	-
	Loan received	-	45,000,000	-	-
	Loan repaid	76,000,000	10,000,000	-	-
	Capital contribution received	65,000,000	-	-	-
	Interest expenses	486,548	4,725,794	-	-
	Loan Outstanding	-	-	(15,000,000)	(91,000,000)
Receivable / (Payable)	-	-	905,355	839,651	
Medassist Holdings LLC	Reimbursement of expenses	114,129	67,477	-	-
	Recovery of expense	3,300,864	4,837,246	-	-
	Dividend received	-	54,000,000	-	-
	Investment	-	-	346,518,624	346,518,624
Receivable / (Payable)	-	-	(20,976,178)	(9,459,310)	
Firstsource Transactions Services LLC	Reimbursement of expenses	25,145	250,532	-	-
	Recovery of expense	2,486,956	5,088,579	-	-
	Receivable / (Payable)	-	-	(11,235,196)	(6,874,066)
Firstsource Advantage LLC	Reimbursement of expenses	5,752	8,944	-	-
	Recovery of expense	419,481	353,674	-	-
	Receivable / (Payable)	-	-	(2,710,347)	(5,386,169)
Firstsource Business Process Services LLC	Investment	-	-	29,088,000	29,088,000
	Receivable / (Payable)	-	-	4,962,682	4,962,682
Sourcepoint Fulfillment Services, Inc.	Reimbursement of expenses	-	20,743	-	-
	Recovery of expense	175,449	806,355	-	-
	Receivable / (Payable)	-	-	2,147,759	2,800,492
Sourcepoint, Inc.	Reimbursement of expenses	47,238	8,675	-	-
	Recovery of expense	2,117,740	1,464,281	-	-
	Investment	-	3,000,000	16,691,211	16,691,211
	Receivable / (Payable)	-	-	(5,277,463)	(6,095,990)
Firstsource BPO Ireland Limited	Interest expenses	-	203,966	-	-
	Loan Repaid	-	4,588,834	-	-
	Loan Outstanding	-	-	-	-
One Advantage LLC	Reimbursement of expenses	-	1,133	-	-
	Recovery of expense	38,655	57,175	-	-
	Receivable / (Payable)	-	-	(6,205,416)	(1,482,332)

# Firstsource Group USA, Inc.

## Notes to the financial statements (Continued)

as at 31 March 2020

(Currency: In US Dollar)

### 24) 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').

### 25) Computation for calculating basic and diluted earnings per share

	For year ended	
	31 March 2020	31 March 2019
Number of shares considered as basic weighted average shares outstanding	238,498	218,483
Number of shares considered as weighted average shares and potential shares outstanding	238,498	218,483
Net profit after tax attributable to shareholders	(8,575,214)	45,404,928
Net profit after tax for diluted earnings per share	(8,575,214)	45,404,928

### 26) Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 648 (31 March 2019: USD 22,111) as at 31 March 2020 and there are no contingent liabilities as at 31 March 2020. (31st March 2019 : USD Nil)

### 27) Subsequent events

The Company evaluated subsequent events from the balance sheet date through 9 July 2020 and determined there are no material items to report.

As per our report of even date attached.

#### For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Sd/-

**G.K. Subramaniam**

Partner

Membership No: 109839

#### For and on behalf of the Board of Directors

**Firstsource Group USA, Inc.**

Sd/-

**Vipul Khanna**

Director

Sd/-

Sd/-

Mumbai

9 July 2020

**Arjun Mitra**  
Director

**Pratip Chaudhuri**  
Director