Firstsource BPO Ireland Limited

Special Purpose Financial Statements
together with the Independent Auditor’s Report
as at and for the year ended 31 March 2021

Firstsource BPO Ireland Limited

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

as at and for the year ended 31 March 2021

Contents

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
FIRSTSOURCE SOLUTIONS LIMITED

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Firstsource BPO Ireland Limited** (the 'Company'), which comprise the Balance Sheet as at 31 March 2021, 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 for the limited purpose of facilitating the preparation of the consolidated financial statements of Firstsource Solutions Limited as at and for the year ended 31 March 2021 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 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 2021, of its loss and total comprehensive loss, 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.

Regd. Office. One International Center, Tower 3, 27th -32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

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 the preparation of their consolidated financial statements for the year ended and as at 31 March 2021, and 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:21109839AAAAJN8914)

Mumbai
29 June 2021

Firstsource BPO Ireland Limited

Balance sheet

as at 31 March 2021

(Currency: In Euros)

	Note	**31 March 2021**	31 March 2020
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	*3*	**232,061**	250,704
Total current assets		**232,061**	250,704
Total assets		**232,061**	250,704
EQUITY AND LIABILITIES			
Equity			
Equity share capital	*4*	**1**	1
Other equity	*5*	**215,864**	232,629
Total equity		**215,865**	232,630
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables		**16,196**	16,196
Provision for Income Tax, net	*6*	**-**	1,878
Total current liabilities		**16,196**	18,074
Total equity and liabilities		**232,061**	250,704

Significant accounting policies

The accompanying notes from 1 to 14 are an integral part of these financial statements.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839
29 June 2021
Mumbai

Siddharth Parashar
Director

Firstsource BPO Ireland Limited

Statement of profit and loss

for the year ended 31 March 2021
(Currency: In Euros)

	Note	Year ended 31 March 2021	31 March 2020
INCOME			
Revenue from operations		**-**	-
Other income, net	*7*	**(74)**	9,693
Total income		**(74)**	9,693
EXPENSES			
Other expenses	*8*	**18,569**	37,500
Total expenses		**18,569**	37,500
(Loss) / Profit before tax		**(18,643)**	(27,807)
Tax expense			
Current tax	*6*	**(1,878)**	(8,244)
(Loss) / Profit for the year		**(16,765)**	(19,563)
Other comprehensive income			
Total other comprehensive income, net of taxes		**-**	-
Total comprehensive (loss) / income for the year		**(16,765)**	(19,563)
Weighted average number of equity shares outstanding during the year			
Basic		**1**	1
Diluted		**1**	1
Earnings per equity share			
Basic		**(16,765)**	(19,563)
Diluted		**(16,765)**	(19,563)

Significant accounting policies
The accompanying notes from 1 to 14 are an integral part of these financial statements.
As per our report of even date attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839
29 June 2021
Mumbai

Siddharth Parashar
Director

Firstsource BPO Ireland Limited

Statement of changes in equity

as at and for the year ended 31 March 2021
(Currency: In Euros)

Statement of Changes in Equity

	Equity share capital	Attributable to owners of the Company Reserve and surplus: Securities premium	Retained earnings	Total
Balance as at 1 April 2020	**1**	**249,999**	**(17,370)**	**232,630**
Loss for the year	**-**	**-**	**(16,765)**	**(16,765)**
Balance as at 31 March 2021	**1**	**249,999**	**(34,135)**	**215,865**

	Equity share capital	Attributable to owners of the Company Reserve and surplus: Securities premium	Retained earnings	Total
Balance as at 1 April 2019	1	249,999	3,642,193	3,892,193
Loss for the year	-	-	(19,563)	(19,563)
Dividend	-	-	(3,640,000)	(3,640,000)
Balance as at 31 March 2020	1	249,999	(17,370)	232,630

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
29 June 2021
Mumbai

Siddharth Parashar
Director

Firstsource BPO Ireland Limited

Statement of cash flows

for the year ended 31 March 2021
(Currency: In Euros)

	31 March 2021	31 March 2020
Cash flow from operating activities		
Net Profit before taxation	**(18,643)**	(27,807)
Adjustments for		
Interest income	-	(9,826)
Operating cash flow before changes in working capital	**(18,643)**	(37,633)
Changes in working capital		
(Increase)/Decrease in loans and advances and other assets	-	6,000
Increase/(Decrease) in liabilities and provisions	-	1,199
Net changes in working capital	-	7,199
Income taxes paid	-	(6,729)
Net cash used in operating activities (A)	**(18,643)**	(37,163)
Cash flow from investing activities		
Interest income received	-	9,826
Loans recovered	-	3,700,000
Net cash generated from investing activities (B)	-	3,709,826
Cash flow from financing activities	-	-
Dividend Paid	-	(3,640,000)
Net cash generated from / (used in) financing activities (C)	-	(3,640,000)
Net (Decrease) / Increase in cash and cash equivalents at the end of the year (A+B+C)	**(18,643)**	32,663
Cash and cash equivalents at the beginning of the year	**250,704**	218,041
Earmarked Balances with Banks		
Cash and cash equivalents at the end of the year	**232,061**	250,704

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 2021	31 March 2020
Balances with banks		
- in current accounts	**232,061**	250,704
Cash and cash equivalents	**232,061**	250,704

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
29 June 2021
Mumbai

Siddharth Parashar
Director

1) Company overview

Firstsource Solutions Limited ('FSL') set up a wholly owned subsidiary in Ireland named Firstsource BPO Ireland Limited ('the Company') on 16 September 2011 incorporated under the laws of Ireland. Firstsource Solutions UK Limited has acquired Firstsource BPO Ireland Limited on 26 March 2019.

Basis of preparation and Statement of Compliance

The special purpose financial statements (herein referred as 'financial statements') of Firstsource BPO Ireland Limited (‘the Company’) are prepared in accordance with Ind AS as per the provisions of 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 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, 2021 in acordance 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.

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 11 May 2021.

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

Income taxes

The Company's major tax jurisdiction is Ireland. 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 2.4.

2.2 Revenue recognition

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

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, refunds, credits, incentives, performance bonuses, etc., (variable consideration) aganist each performance obligation each reporting period and recgnises changes to estimated variable consideration as changes to the transaction price (i.e., revenue) of the applicable performance obligation.

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

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

2 Significant accounting policies *(Continued)*

2.3 Impairment

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.

2.4 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.
Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

2.5 Foreign currency

Functional currency

The functional currency of the Company is Euro.

Transactions and translations

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

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

2.6 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.

2.7 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.

2.8 Financial instruments

2.8.1 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 Significant accounting policies *(Continued)*

2.8 Financial instruments (Continued)

2.8.2 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.

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.

2.8.3 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.

2.8.4 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.

2.9 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year 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 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.

2.11 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 financial 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.

	31 March 2021	31 March 2020
3) Cash and cash equivalents		
Balances with banks		
-in current accounts	**232,061**	250,704
	232,061	250,704

(Currency: In Euros)

	31 March 2021	31 March 2020
4) Share capital		
Authorised		
100,000 Ordinary Shares of EURO 1 each (31 March 2020: 100,000 shares)	**100,000**	100,000
	100,000	100,000
Issued, subscribed and paid-up		
1 Ordinary share of EURO 1 each (31 March 2020: 1 share)	**1**	1
	1	1

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

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
At the commencement of the year	**1**	**1**	1	1
At the end of the year	**1**	**1**	1	1

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

	31 March 2021		31 March 2020	
	Number of shares	**% of total shares**	**Number of shares**	**% of total shares**
Firstsource Solutions UK Limited	**1**	**100%**	1	100%

c) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares are ranked equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend 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 the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(Currency: In Euros)

		31 March 2021	31 March 2020
5)	**Other equity**		
	Securities premium		
	At the commencement of the year	**249,999**	249,999
	At the end of the year	**249,999**	249,999
	Retained earnings		
	At the commencement of the year	**(17,370)**	3,642,193
	Add: Net profit for the year	**(16,765)**	(19,563)
	Less: Dividend (including tax on dividend)	**-**	3,640,000
	At the end of the year	**(34,135)**	(17,370)
	Total other equity	**215,864**	232,629

6) Taxation

	31 March 2021	31 March 2020
Income tax assets (net)	-	-
Provision for tax (net)	-	1,878
	-	1,878

Income tax expense

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

	Year ended	
	31 March 2021	31 March 2020
Current taxes	**(1,878)**	(8,244)

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 2021	31 March 2020
Profit before income taxes	**(18,643)**	(27,807)
Enacted tax rates in Ireland	**25.00%**	25.00%
Computed expected tax expense	**(4,661)**	(6,952)
Deferred tax assets not created on business losses	**4,661**	4,704
Others	**-**	(5,996)
Previous years tax adjustments	**(1,878)**	-
Income tax expense	**(1,878)**	(8,244)

(Currency: In Euros)

	Year ended	
	31 March 2021	31 March 2020

7) Other income

Interest income	**-**	9,826
Foreign Exchange Loss	**(74)**	(133)
	(74)	9,693

8) Other expenses

Legal and Professional Fees	**17,623**	36,017
Connectivity Information Communication Expenses	**-**	48
Printing and Stationery	**295**	298
Bank administration charges	**651**	1,137
	18,569	37,500

(Currency: In Euros)

9) Financial instruments

I. Financial instruments by category:

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					
Cash and cash equivalents	**232,061**	**-**	**-**	**232,061**	**232,061**
Total	**232,061**	**-**	**-**	**232,061**	**232,061**
Financial liabilities					
Trade payables	**16,196**	**-**	**-**	**16,196**	**16,196**
Total	**16,196**	**-**	**-**	**16,196**	**16,196**

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
Financial assets					
Cash and cash equivalents	250,704	-	-	250,704	250,704
Total	250,704	-	-	250,704	250,704
Financial liabilities					
Trade payables	16,196	-	-	16,196	16,196
Total	16,196	-	-	16,196	16,196

Fair value hierarchy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2021 and 31 March 2020.

II. Financial risk management:

Financial risk factors:

a) Market risk

The Company operates in Ireland and there are no major transactions outside the Ireland. 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. There is no exposure to credit risk as there is no asset recoverable on account of trade debts and unbilled revenues. 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 2021 and 31 March 2020:

	31 March 2021		31 March 2020	
	Less than 1 Year	**More than 1 year**	Less than 1 Year	More than 1 year
Trade payables	**16,196**	**-**	16,196	-

(Currency: In Euros)

10) Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2021 are summarized below:

Ultimate Holding Company	RPSG Ventures Limited (formerly known as CESC Ventures Limited) (Change in name w.e.f. 19 January 2021)
Holding Company	Firstsource Solutions Limited Firstsource Solutions UK Limited
Fellow Subsidaries	Kolkata Games and Sports Private Limited (formerly known as New Rising Promoters Private Limited) Quest Properties India Limited (QPIL) Metromark Green Commodities Private Limited Guiltfree Industries Limited Bowlopedia Restaurants India Limited Herbolab India Private Limited Apricot Foods Private Limited Firstsource Group USA Inc. Firstsource Health Plans and Healthcare Services, LLC (formerly known as Firstsource Transaction Services LLC) Firstsource Process Management Services Limited Medassist Holding, LLC Firstsource Advantage LLC One Advantage LLC Firstsource Business Process Services LLC Firstsource Solutions USA LLC Sourcepoint Fulfillment Services, Inc (formerly known as ISGN Fulfillment Services, Inc) Sourcepoint Inc. (formerly know as ISGN Solutions, Inc.) ISGN Fulfillment Agency LLC (ceased w.e.f. 24 June 2019) RPSG Resources Private Limited (formerly known as Accurate Commodeal Private Limited) RP - SG Ventures Advisory LLP RP SG Unique Advisory LLP APA Services Private Limited Rubberwood Sports Private Limited ATK Mohun Bagan Private Limited Aakil Nirman LLP PatientMatters, LLC (PM) (acquired on 22 December 2020) Medical Advocacy Services for Healthcare, Inc (MASH) (acquired on 22 December 2020) Kramer Technologies LLC (KT) (acquired on 22 December 2020)
Trust Controlled by Ultimate Holding Company	RP-Sanjiv Goenka Group CSR Trust (RPSG CSR trust)
Directors	Siddharth Parashar

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 2021	31 March 2020	**31 March 2021**	31 March 2020
Firstsource Solutions UK Limited	Interest Income	-	9,826	-	-
	Dividend Paid	-	3,640,000	-	-
	Loans Recovered	-	3,700,000	-	-

Firstsource BPO Ireland Limited

Notes to the financial statements (Continued)

as at and for the year ended 31 March 2021

(Currency: In Euros)

11) 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').

12) Computation for calculating basic and diluted earnings per share

	For the year ended	
	31 March 2021	31 March 2020
Number of shares considered as basic weighted average shares outstanding	**1**	1
Number of shares considered as weighted average shares and potential shares outstanding	**1**	1
Net profit after tax attributable to shareholders	**(16,765)**	(19,563)
Net profit after tax for diluted earnings per share	**(16,765)**	(19,563)

13) Capital and other commitments and contingent liabilities

The Company has capital commitments of Euro Nil as at the balance sheet date (31 March 2020: Euro Nil) . There are no contingent liabilities as at Balance sheet date (31 March 2020 : Euro Nil).

14) Subsequent events

The Company evaluated subsequent events from the balance sheet date through 29 June 2021 and determined that there are no material items to report.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

G.K. Subramaniam
Partner
Membership No: 109839
29 June 2021
Mumbai

Siddharth Parashar
Director