Sourcepoint, Inc.

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

Sourcepoint, Inc.

Special Purpose Financial Statement together with the independent Auditor's Report

as at and for the year ended 31 March 2021

Contents

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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 **Sourcepoint, Inc.** (the 'Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income/Loss), 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.

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,

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(LLP Identification No. AAB-8737)

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: 21109839AAAAKM2707)

Mumbai
7 July 2021

Sourcepoint, Inc.

Balance sheet

as at 31 March 2021

(Currency: In US Dollar)

	Note	**31 March 2021**	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	*3*	**4,913,961**	1,276,480
Right-of-use assets	*3.1*	**5,114,844**	4,658,386
Other intangible assets	*3*	**995,397**	1,165,588
Financial assets			
Investments	*4*	**46,669,322**	46,669,322
Other financial assets	*5(i)*	**148,943**	156,219
Other non-current assets	*6(i)*	**371,270**	436,867
Income tax assets (net)		**26,654**	22,467
Total non-current assets		**58,240,391**	54,385,329
Current assets			
Financial assets			
Trade receivables	*7*	**28,663,384**	16,793,404
Cash and cash equivalents	*8*	**1,729,544**	2,390,108
Other financial assets	*5(ii)*	**13,128,753**	6,943,119
Other current assets	*6(ii)*	**1034,868**	884,313
Total current assets		**44,556,549**	27,010,944
Total assets		**102,796,940**	81,396,273
EQUITY AND LIABILITIES			
Equity			
Equity share capital	*9*	**73,300**	73,300
Other equity	*10*	**30,223,778**	48,320,822
Total equity		**30,297,078**	48,394,122
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**4,738,414**	4,162,221
Total non-current liabilities		**4,738,414**	4,162,221
Current liabilities			
Financial liabilities			
Trade payables		**18,286,943**	1,603,727
Lease liabilities		**1,614,882**	1,168,984
Other financial liabilities	*11*	**46,471,260**	25,507,021
Provisions for employee benefits	*12*	**1,220,312**	558,656
Other current liabilities	*13*	**168,051**	1,542
Total current liabilities		**67,761,448**	28,839,930
Total equity and liabilities		**102,796,940**	81,396,273
Significant accounting policies	*2*		

The accompanying notes from 1 to 24 are an integral part of these special purpose financial statements.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

G.K .Subramaniam
Partner
Membership No: 109839

Arjun Mitra
Director

Steven Schachter
Director

Mumbai
7 July 2021

Sourcepoint, Inc.

Statement of profit and loss

for the year ended 31 March 2021

(Currency: In US Dollar)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Revenue from operations	*14*	**188,844,698**	85,142,891
Total income		**188,844,698**	85,142,891
EXPENSES			
Services rendered by business associates and others		**77,560,337**	34,063,903
Employee benefits expenses	*15*	**93,851,823**	42,340,615
Finance costs	*16*	**263,997**	246,255
Depreciation and amortization expense	*3.1*	**2,466,103**	1,543,305
Other expenses	*17*	**17,273,723**	8,403,119
Total expenses		**191,415,983**	86,597,197
Loss before tax and Exceptional item		**(2,571,285)**	(1,454,306)
Exceptional Items (Refer note 23)		**15,525,760**	-
Loss before tax		**(18,097,044)**	(1,454,306)
Tax expense			
Current tax		**-**	-
Deferred tax		-	-
Loss for the year		**(18,097,044)**	(1,454,306)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(18,097,044)**	(1,454,306)
Weighted average number of equity shares outstanding during the year			
Basic	21	**733**	733
Diluted	21	**733**	733
Earnings per equity share			
Basic		**(24,689.01)**	(1,984.05)
Diluted		**(24,689.01)**	(1,984.05)

Significant accounting policies *2*

The accompanying notes from 1 to 24 are an integral part of these special purpose financial statements.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

G.K .Subramaniam
Partner
Membership No: 109839
Mumbai
7 July 2021

Arjun Mitra
Director

Steven Schachter
Director

Sourcepoint, Inc.
Statement of changes in equity
as at and for the year ended 31 March 2021
(Currency: In US Dollar)

Statement of Changes in Equity

Particulars	Attributable to owners of the Company			
	Equity share capital	Capital Contribution	Retained earnings	Total
Balance as at 1 April 2020	73,300	3,000,000	45,320,822	48,394,122
Loss for the year	-	-	(18,097,044)	(18,097,044)
Balance at the end of the 31 March 2021	**73,300**	**3,000,000**	**27,223,778**	**30,297,078**

Particulars	Attributable to owners of the Company			
	Equity share capital	Capital Contribution	Retained earnings	Total
Balance as at 1 April 2019	73,300	3,000,000	47,299,672	50,372,972
Transition impact on adoption of Ind AS 116	-	-	(524,544)	(524,544)
Loss for the year	-	-	(1,454,306)	(1454,306)
Balance at the end of the 31 March 2020	**73,300**	**3,000,000**	**45,320,822**	**48,394,122**

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
Mumbai
7 July 2021

Arjun Mitra
Director

Steven Schachter
Director

Sourcepoint, Inc.

Statement of cash flows

for the year ended 31 March 2021

(Currency: In US Dollar)

	31 March 2021	31 March 2020
<u>Cash flow from operating activities</u>		
Net Loss before taxation	**(18,097,044)**	(1454,306)
Adjustments for		
Depreciation and amortisation	**2,466,103**	1,543,305
Allowance for expected credit loss / bad debts written off, net	**(10,434)**	27,459
Finance costs	**263,997**	246,255
Operating cash flow before changes in working capital	**(15,377,378)**	362,713
Changes in working capital		
Increase in trade receivables	**(11,859,546)**	(10,866,963)
(Increase) / decrease in loans and advances and other assets	**(6,298,475)**	111,124
Increase in liabilities and provisions	**38,462,553**	14,337,775
Net changes in working capital	**20,304,532**	3,581,936
Income taxes paid	**(4,186)**	(3,795)
Net cash generated from operating activities (A)	**4,922,968**	3,940,854
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment and intangible assets	**(4,613,757)**	(1,874,257)
Net cash used in investing activities (B)	**(4,613,757)**	(1,874,257)
<u>Cash flow from financing activities</u>		
Interest paid	**(263,997)**	(246,255)
Repayment of lease liabilities	**(705,778)**	(805,611)
Net cash used in financing activities (C)	**(969,775)**	(1,051,866)
Net (decrease) / increase in cash and cash equivalents at the end of the year (A+B+C)	**(660,564)**	1,014,731
Cash and cash equivalents at the beginning of the year	**2,390,108**	1,375,377
Cash and cash equivalents at the end of the year	**1,729,544**	2,390,108

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
Cash on hand	**-**	-
Balances with banks	**-**	-
- in current accounts	**1,729,544**	2,390,108
	1.729.544	2,390,108
Cash and cash equivalents	**1,729,544**	2,390,108

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

Arjun Mitra
Director

Steven Schachter
Director

Mumbai
7 July 2021

1 Company overview

Sourcepoint, Inc ('the Company') is a 100% subsidiary of Firstsource Group USA Inc,. Firstsource Group USA Inc acquired 100% interest in Sourcepoint, Inc in April 2016. Firstsource Group USA Inc is a wholly owned subsidiary of Firstsource Solutions Limited, Company incorporated in India. The Company is engaged in providing business process outsourcing (BPO) services to the mortgage lending industry. The Company provides a wide range of consulting services relating to mortgage products, business process outsourcing (BPO) services such as fulfillment services and loan services. The Company's customer base consists primarily of Mortgage banks and financial institutions situated primarily in the United States of America.

Basis of Preparation

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 relevant amendment rules issued thereunder.

These special purpose financial statements have been prepared for the limited purpose of facilitating the preparatoin of the consolidated financial statements of Firstsource Solutions Limited, the holding company, as at and for the year ended March 31, 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 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

a Property, plant and equipment and intangible assets

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

b Leases

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

2 Significant accounting policies (Continued)

2.2 Revenue recognition

The Company, in its contracts with customers, promises to transfer distinct services rendered either in the form of contact centre and transaction processing services.

Each distinct service, results in a simultaneous benefit to the corresponding customer. Also, the Company has an enforeable 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 the 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.

Deferred contract costs are upfront costs incurred for the contract accounted as non-financial assets amortised over the term of the contract.

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.

2.3 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 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 summarized below:

Asset category	**Useful life (in years)**
Tangible assets	
Computers*	2 – 4
Service equipment*	2 – 5
Office equipment*	2 – 5
Furniture and fixtures*	2 – 5
Leasehold improvements	Lease term or 5 years, whichever is shorter
Intangible assets	
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 Significant accounting policies (Continued)

2.4 Impairment

a. Financial assets

The Company recognizes 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 financialasset 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. 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 units ('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 recognized for the asset in prior years.

2.5 Employee 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 absences cost has been made based 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 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.

2.6 *Taxation*

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 recongised 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 aganist which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recongised.

The Income tax liability and deferred tax asset and liability are computed on a combined basis and a combined tax return is filed for all subsidiaries of Firstsource Solutions Limited operating in the United States of America and the charge, the asset and the liability is accounted on a combined basis by Firstsource Group USA, Inc. (parent company in the United States of America) in its financial statements. Deferred Tax Asset and Liability and Income tax charge accounted in these Special Purpose Financial Statements relate only to the pre-acquisition period and adjustments thereof.

2 Significant accounting policies *(Continued)*

2.7 Leases

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

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

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

2.8 Foreign 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 realized 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 Significant accounting policies *(Continued)*

2.9 Earnings per equity share

The basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

2.10 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 **Exceptional Items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.12 Financial instruments

2.12.1 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.

2.12.2 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.

2 Significant accounting policies *(Continued)*

2.12 Financial instruments (Continued)

2.12.2 Classification and subsequent measurement(continued)

2.12.2a *Non-derivative financial instruments (Continued)*

v) Financial liabilities

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

vi) Equity instruments

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

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

b) Share capital

Ordinary shares

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

2.12.3 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.

2.12.4 Fair value of financial instruments

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

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.14 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.

2.15 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, including but not limited to its assessment of liquidity and going concern assumption, carrying amounts of receivables, unbilled revenues, intangible assets and impact on leases. Based on current indicators of future global economic conditions and internal sources of available information, the Company expects the carrying amount of the assets will be recovered, net of provisions established. The impact of the pandemic related to COVID-19 may be different from that presently estimated and would be recognised in the financial statements when material changes to economic conditions arise or are anticipated.

Sourcepoint, Inc.

Notes to the financial statements(Continued)

as at 31 March 2021

(Currency: In US Dollar)

3) Property, plant and equipment and intangible asset

Particulars	Tangible Asset						Intangible Asset	
	Leasehold improvements	**Computers**	**Service equipment**	**Office equipment**	**Furniture and fixture**	**Total**	**Software**	**Grand Total**
Gross block								
As at 1 April 2020	**453,489**	**1,410,253**	**202,673**	**202,099**	**124,370**	**2,392,884**	**1,363,631**	**3,756,515**
Additions / adjustments during the year	**1,890,273**	**2,004,062**	**108,465**	**366,469**	**31,366**	**4,400,635**	**261,348**	**4,661,983**
Deletions during the year	-	-	-	-	-	-	-	-
As at 31 March 2021	**2,343,762**	**3,414,315**	**311,138**	**568,568**	**155,736**	**6,793,519**	**1,624,979**	**8,418,498**
Accumulated depreciation / amortization								
As at 1 April 2020	**182,888**	**735,445**	**53,260**	**71,782**	**73,029**	**1116,404**	**198,043**	**1,314,447**
Charge for the year	**215,775**	**379,008**	**64,950**	**73,034**	**30,387**	**763,154**	**431,539**	**1,194,693**
On deletions / adjustments during the year	-	-	-		-	-	-	-
As at 31 March 2021	**398,663**	**1,114,453**	**118,210**	**144,816**	**103,416**	**1,879,558**	**629,582**	**2,509,140**
Net block								
As at 31 March 2021	**1,945,099**	**2,299,862**	**192,928**	**423,752**	**52,320**	**4,913,961**	**995,397**	**5,909,358**
As at 31 March 2020	**270,601**	**674,808**	**149,413**	**130,317**	**51,341**	**1,276,480**	**1,165,588**	**2,442,068**

Particulars	Tangible Asset						Intangible Asset	
	Leasehold improvements	**Computers**	**Service equipment**	**Office equipment**	**Furniture and fixture**	**Total**	**Software**	**Grand Total**
Gross block								
As at 1 April 2019	304,755	914,147	90,537	117,953	110,778	1,538,170	383,188	1,921,358
Additions / adjustments during the year	148,734	496,106	112,136	84,146	13,592	854,714	980,443	1,835,157
Deletions during the year	-	-	-	-	-	-	-	
As at 31 March 2020	453,489	1,410,253	202,673	202,099	124,370	2,392,884	1,363,631	3,756,515
Accumulated depreciation / amortization								
As at 1 April 2019	67,009	538,549	14,706	25,092	45,693	691,049	33,978	725,027
Charge for the year	115,879	196,896	38,554	46,690	27,336	425,355	164,065	589,420
On deletions / adjustments during the year	-	-	-	-	-	-	-	-
As at 31 March 2020	182,888	735,445	53,260	71,782	73,029	1,116,404	198,043	1,314,447
Net block								
As at 31 March 2020	270,601	674,808	149,413	130,317	51,341	1,276,480	1,165,588	2,442,068
As at 31 March 2019	237,746	375,598	75,831	92,861	65,085	847,121	349,210	1,196,331

(Currency: In US Dollar)

3.1) Leases

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

Particulars	Opening as at 1 April 2020	Addition during the year	Deletions during the year	Depreciation for the year	Net Carrying value as at 31 March 2021
Leasehold properties	**4,556,617**	**1,754,048**	**26,180**	**1,233,247**	**5,051,238**
Service equipment	**101,769**	**-**	**-**	**38,163**	**63,606**
Total	**4,658,386**	**1,754,048**	**26,180**	**1,271,410**	**5,114,844**

Rent includes expense towards short term lease payments amounting to USD 111,789, expense towards low value leases payment amounting to USD 405,607 and common area maintenance charges for leased properties amounting to USD 756,632 during the year ended 31 March 2021. Further USD 53,840 is netted off as recovery of rent from fellow subsidiaries.

Particulars	Opening as at 1 April 2019	Addition during the year	Deletions during the year	Depreciation for the year	Net Carrying value as at 31 March 2020
Leasehold properties	3,821,757	1,676,024	-	941,164	4,556,617
Service equipment	-	114,490	-	12,721	101,769
Total	3,821,757	1,790,514	-	953,885	4,658,386

Rent includes expense towards short term lease payments amounting to USD 571,376, expense towards low value leases payment amounting to USD 168,611 and common area maintenance charges for leased properties amounting to USD 678,752 during the year ended 31 March 2020. Further USD 371,779 is netted off as recovery of rent from fellow subsidiaries.

(Currency: In US Dollar)

	31 March 2021	31 March 2020
4) Investments		
Non-current		
Unquoted		
Investment in equity instruments of subsidiaries		
Investments carried at cost		
Investment in Sourcepoint Fulfillment Services, Inc.(formally known as ISGN Fulfillment Services Inc.) - 400,803 voting common stock (31 March 2020 : 400,803 voting common stock)	**46,669,322**	46,669,322
	46,669,322	46,669,322

Sourcepoint, Inc.

Notes to the financial statements(Continued)
as at 31 March 2021
(Currency: In US Dollar)

			31 March 2021	31 March 2020
5)	**Other financial assets**			
	(i)	**Other non-current financial assets**		
		Deposits	**148,943**	156,219
			148,943	156,219
	(ii)	**Other current financial assets**		
		Unbilled revenues	**6,968,905**	1,665,656
		Advances to related parties	**6,159,848**	5,277,463
			13,128,753	6,943,119
6)	**Other assets**			
	(i)	**Other non-current assets**		
		Deferred contract cost	**-**	97,136
		Prepaid expenses	**365,379**	298,681
		Capital advances	**5,891**	41,050
			371,270	436,867
	(ii)	**Other current assets**		
		Deferred contract cost	**-**	126,277
		Prepaid expenses	**1,033,632**	693,234
		Other advances	**1,236**	64,802
			1,034,868	884,313
7)	**Trade receivables**			
	(Unsecured)			
	Considered doubtful		**17,024**	27,459
	Less: Allowance for expected credit loss		**17,024**	27,459
			-	-
	Considered good		**28,663,384**	16,793,404
			28,663,384	16,793,404
			28,663,384	16,793,404

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 19.

	31 March 2021	31 March 2020

8) Cash and cash equivalents

Balance with banks in current accounts	**1,729,544**	2,390,108
	1,729,544	2,390,108

(Currency: In US Dollar)

	31 March 2021	31 March 2020
9) Share capital		
Authorised		
1,000 (31 March 2020 : 1,000) Equity Shares of USD 100 each	**100,000**	100,000
	100,000	100,000
Issued, subscribed and paid-up		
733 (31 March 2020: 733) Equity Shares of USD 100 each	**73,300**	73,300
	73,300	73,300

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	**733**	**73,300**	733	73,300
At the end of the year	**733**	**73,300**	733	73,300

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 Group USA, Inc.	**733**	**100%**	733	100%

c) Rights, preferences and restrictions attached to equity shares

The Company has a single class of shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company’s residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid up equity capital of the Company. On winding up of the Company, the equity shareholders will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of shares held.

(Currency: In US Dollar)

	31 March 2021	31 March 2020
10) Other equity		
Capital Contribution		
At the commencement of the year	**3,000,000**	3,000,000
Add: Capital contribution during the year	**-**	-
At the end of the year	**3,000,000**	3,000,000
Retained earnings		
At the commencement of the year	**45,320,822**	47,299,672
Add: Transition impact on adoption of Ind AS 116	**-**	(524,544)
Add: Net loss for the year	**(18,097,044)**	(1,454,306)
At the end of the year	**27,223,778**	45,320,822
Total other equity	**30,223,778**	48,320,822

Sourcepoint, Inc.

Notes to the financial statements(Continued)

as at 31 March 2021

(Currency: In US Dollar)

	31 March 2021	31 March 2020
11) Other financial liabilities		
Other current financial liabilities		
Book credit in bank account	**-**	8,403
Creditors for capital goods	**15,017**	1,950
Employee benefits payable	**4,065,167**	3,067,944
Payable to related parties	**42,391,076**	22,428,724
	46,471,260	25,507,021
12) Provision for employee benefits		
Current		
Compensated absences	**1,220,312**	558,656
	1220,312	558,656
13) Other liabilities		
Other current liabilities		
Statutory Dues	**168,051**	1,542
	168,051	1,542

(Currency: In US Dollar)

	Year ended 31 March 2021	31 March 2020
14) Revenue from operations		
Sale of services	**188,844,698**	85,142,891
	188,844,698	85,142,891

The company provides business process outsourcing (BPO) services to the mortgage lending industry in the US geography only.

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.

15) Employee benefits expenses

	31 March 2021	31 March 2020
Salaries and wages	**89,596,804**	39,861,459
Contribution to social security and other benefits	**461,037**	169,041
Staff welfare expenses	**3,793,982**	2,310,115
	93,851,823	42,340,615

16) Finance costs

	31 March 2021	31 March 2020
Interest expense on leased liabilities	**263,997**	246,255
	263,997	246,255

(Currency: In US Dollar)

	Year ended	
	31 March 2021	31 March 2020
17) Other expenses		
Computer expenses	**1,901,596**	460,494
Repairs, maintenance and upkeep	**557,496**	413,885
Car and other hire charges	**37,742**	17,297
Electricity, water and power consumption	**129,513**	105,414
Connectivity, information and communication expenses	**1,659,307**	471,611
Legal and professional fees	**1,729,348**	1,324,799
Recruitment and training expenses	**4,877,956**	777,799
Allocated corporate costs	**1,367,275**	578,145
Travel and conveyance	**63,602**	1,355,335
Marketing and support fees	**2,647,555**	1,012,039
Rent,(net of recoveries)	**1,220,188**	1,046,960
Insurance	**249,178**	173,750
Printing and stationery	**128,352**	43,521
Rates and taxes	**518,898**	509,829
Bank administration charges	**171,965**	34,320
Allowance for expected credit losss / bad debts written off, net	**(10,434)**	27,459
Miscellaneous expenses	**24,186**	50,462
	17,273,723	8,403,119

Note: Facilities used for operations by the Company are commonly held with the Subsidiary Company Sourcepoint Fulfillment Services, Inc.

Sourcepoint, Inc.
Notes to the financial statements(Continued)
as at and for the year ended 31 March 2021
(Currency: In US Dollar)

18) Financial instruments

I. Financial instruments by category:

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

	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	**28,663,384**	**-**	**-**	**28,663,384**	**28,663,384**
Cash and cash equivalents	**1,729,544**	**-**	**-**	**1,729,544**	**1,729,544**
Other financial assets	**13,277,696**	**-**	**-**	**13,277,696**	**13,277,696**
Total	**43,670,624**		**-**	**43,670,624**	**43,670,624**
Financial liabilities					
Trade payables	**18,286,943**	**-**	**-**	**18,286,943**	**18,286,943**
Lease liabilities	**6,353,296**	**-**	**-**	**6,353,296**	**6,353,296**
Other financial liabilities	**46,471,260**	**-**	**-**	**46,471,260**	**46,471,260**
Total	**71,111,499**	**-**	**-**	**71,111,499**	**71,111,499**

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

	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	16,793,404	-	-	16,793,404	16,793,404
Cash and cash equivalents	2,390,108	-	-	2,390,108	2,390,108
Other financial assets	7,099,338	-	-	7,099,338	7,099,338
Total	26,282,850	-	-	26,282,850	26,282,850
Financial liabilities					
Trade payables	1,603,727	-	-	1,603,727	1,603,727
Lease Liability	5,331,205	-	-	5,331,205	5,331,205
Other financial liabilities	25,507,021	-	-	25,507,021	25,507,021
Total	32,441,953	-	-	32,441,953	32,441,953

II. Financial risk management:

Financial risk factors:

The Company's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market risk

The Company operates in the United State of America and there are no major transactions outside the United State of America. So there is no major market risk for the Company.

Sourcepoint, Inc.
Notes to the financial statements(Continued)
as at and for the year ended 31 March 2021
(Currency: In US Dollar)

18) Financial instruments *(Continued)*

II. Financial risk management (continued):

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 28,663,384 and USD 16,793,404 as of 31 March 2021 and 31 March 2020 respectively and unbilled revenue amounting to USD 6,968,905 and USD 1,665,656 as of 31 March 2021 and 31 March 2020 respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Expected credit losses are accounted on financial assets based on the measurement criteria as defined in the policy. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment.

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

	Year ended	
	31 March 2021	31 March 2020
Revenue from top five customers	**65.57%**	73.32%

c) Liquidity risk

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

The following are contractual maturities of Lease Liabilities on an undiscounted basis as at 31 March 2021 and 31 March 2020:

Particulars	**31 March 2021**	**31 March 2020**
Less than one year	**1,854,593**	1,403,287
One to five years	**5,060,276**	4,525,330
More than five years	**-**	-
Total	**6,914,869**	5,928,617

Future cash outflows in respect of certain leasehold properties to which the Company is potentially exposed as a lessee that are not reflected in the measurement of the lease liabilities include exposures from options of extension and termination. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Management has considered all relevant facts and circumstances that create an economic incentive for the Company as a lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease as at 31 March 2021. The Company shall revise the lease term when there is a change in the facts and circumstances.

Total current liabilities are in excess of total current assets. Payables to Holding and Fellow Subsidiary Companies /Subsidiary Company are not expected to be called for settlement until external liabilities are settled.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 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	**18,286,943**	**-**	1,603,727	-
Lease liabilities	**1,614,882**	**4,738,414**	1,168,984	4,162,221
Other financial liabilities	**46,471,260**	**-**	25,507,021	-

Sourcepoint, Inc.

Notes to the financial statements(Continued)
as at and for the year ended 31 March 2021
(Currency: In US Dollar)

19) 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 Group USA, Inc.
Subsidiary wherein control exists	Sourcepoint Fulfillment Services, Inc. (formally known as ISGN Fulfillment Services Inc.)
Fellow Subsidaries	Kolkata Games and Sports Private Limited Quest Properties India Limited Metromark Green Commodities Private Limited Guiltfree Industries Limited Bowlopedia Restaurants India Limited Herbolab India Private Limited RPSG Resources Private Limited (earlier known as Accurate Commodeal Private Limited) Apricot Foods Private Limited Firstsource Advantage LLC Firstsource Solutions USA LLC Firstsource Solution UK Limited Firstsource Process Management Services Limited Firstsource Dialog Solutions (Private) Limited Firstsource Business Process Services LLC Medassist Holding LLC One Advantage LLC ISGN Fulfillment Agency, LLC (ceased wef 24 June 2019) Firstsource BPO Ireland Limited Firstsource Health Plans & Healthcare Services, LLC (formerly Firstsource Transaction Services LLC ('FTS')) (Change in name w.e.f. 01 October 2020) 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	Arjun Mitra Steven Schachter

Particulars of related party transactions:

Name of the related party	Description	Transaction value during the year ended Amount in USD		Receivable / (Payable) as at Amount in USD	
		31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Firstsource Solutions Limited	Services rendered by business associates and Others	**85,750,746**	34,063,903	**-**	-
	Reimbursement of expenses	**1417,465**	717,590	**-**	-
	Recovery of expense	**67,696**	14,152	**-**	-
	Payable	**-**	-	**(33,888,267)**	(16,012,074)
Firstsource Group USA Inc	Reimbursement of expenses	**6,067,329**	2,117,740	**-**	-
	Recovery of expense	**43,020**	47,238	**-**	-
	Receivable	**-**	-	**6,152,436**	5,277,463
Firstsource Health Plans & Healthcare Services, LLC	Reimbursement of expenses	**51,995**	10,886	**-**	-
	Recovery of expense	**106,094**	43,980	**-**	-
	Payable	**-**	-	**(63,554)**	(117,653)
Sourcepoint Fulfillment Services, Inc.	Reimbursement of expenses	**2,416,961**	6,560,791	**-**	-
	Recovery of expense	**5,322,523**	3,828,214	**-**	-
	Payable	**-**	-	**(2,254,199)**	(1,832,641)
Medassist Holding LLC	Reimbursement of expenses	**1,763,700**	2894,384	**-**	-
	Recovery of expense	**-**	5,627	**-**	-
	Payable	**-**	-	**(6,180,002)**	(4,416,302)
Firstsource Advantage LLC	Reimbursement of expenses	**5,207**	10,389	**-**	-
	Recovery of expense	**-**	5,343	**-**	-
	Payable	**-**	-	**(5,055)**	(50,236)
One Advantage LLC	Reimbursement of expenses	**-**	-	**-**	-
	Recovery of expense	**7,412**	-	**-**	-
	Receivable	**-**	-	**7,412**	-

(Currency: In US Dollar)

20) 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').

21) Computation for calculating basic and diluted earnings per share

	Year ended	
	31 March 2021	31 March 2020
Number of shares considered as basic weighted average shares outstanding	**733**	733
Number of shares considered as weighted average shares and potential shares outstanding	**733**	733
Net profit after tax attributable to shareholders	**(18,097,044)**	(1,454,306)
Net profit after tax for basic and diluted earnings per share	**(18,097,044)**	(1,454,306)

22) Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 3,653,109 as at 31 March 2021. (31 March 2020 : USD 718,878). There are no contingent liabilities as at 31 March 2021 (31 March 2020 : USD Nil).

23) Exceptional Items

The Company has a strategic partnership agreement with a leading mortgages business group ('Counterparty') under which the Company will be a preferred vendor for business process management services. As per the terms of the agreement, in exchange of the revenues realized through the Counterparty by the Company, the Counterparty would be entitled to an option to purchase a proportion of the equity of the Company at a fair value as on the date of grant. The agreement entitles the Counterparty to seek a buyback of its equity from the Company under certain circumstances.

As at 31 March 2021, the fair value of the liability of the option has increased considerably on account of significant increase in the valuation of the Company. Also, the Counterparty's entitlement to option has increased basis the revenues realized by the Company, as per the terms of the agreement. The Counterparty is also negotiating for an early exercise of its entitlement. As a result, an amount of USD 15,525,760 has been charged to the Statement of Profit and Loss for the year ended 31 March 2021. This has been classified as an exceptional item.

24) Subsequent events

The Company evaluated subsequent events from the balance sheet date through 7 July 2021 and determined there are no material items to report.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

G.K .Subramaniam
Partner
Membership No: 109839

Arjun Mitra
Director

Steven Schachter
Director

Mumbai
7 July 2021