

**Firstsource BPO Ireland Limited**

Special Purpose Financial Statements  
together with the Independent Auditors' Report  
for the year ended 31 March 2018

# **Firstsource BPO Ireland Limited**

## **Special Purpose Financial Statements together with the Independent Auditors' Report** *for the year ended 31 March 2018*

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**INDEPENDENT AUDITORS' REPORT**

**TO THE BOARD OF DIRECTORS  
FIRSTSOURCE SOLUTIONS LIMITED**

**Report on the Special Purpose Standalone Financial Statements**

We have audited the accompanying Special Purpose Standalone Financial Statements of Firstsource BPO Ireland Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Special Purpose Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 ('Ind AS').

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 Standalone Financial Statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Special Purpose Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Special Purpose Standalone Financial Statements in accordance with the Standards on Audit specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the

# **Deloitte Haskins & Sells LLP**

assessment of risks of material misstatement of the Special Purpose Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Special Purpose Standalone Financial Statements that give true and fair view 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Special Purpose Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Standalone Financial Statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and its cash flows for the year ended on that date.

## **Other Matter**


The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Special Purpose Standalone Financial Statements have been audited by another auditor. The report of the other auditor on these comparative financial information dated May 5, 2017 expressed an unmodified opinion.

Our report on the Special Purpose Standalone Financial Statements is not modified in respect of this matter.

## **Restriction on Distribution and Use**

The Special Purpose Standalone Financial Statements have been prepared for the limited purpose of facilitating the preparation of the consolidated financial statements of Firstsource Solutions Limited as at and for the year ended March 31, 2018 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. As a result, the Special Purpose Standalone Financial Statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Board of Directors of the Firstsource Solutions Limited for the preparation of their consolidated financial statements 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)

Mumbai  
July 13, 2018

# Firstsource BPO Ireland Limited

## Balance sheet

as at 31 March 2018

(Currency: In Euros)

	Note	31 March 2018	31 March 2017
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets			
Other Financial assets	3	3,700,971	3,725,798
Cash and cash equivalents	4	101,184	34,939
Other current assets	5	4,165	3,268
<b>Total current assets</b>		<b>3,806,320</b>	<b>3,764,005</b>
<b>Total assets</b>		<b>3,806,320</b>	<b>3,764,005</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	6	1	1
Other equity		3,762,975	3,666,686
<b>Total equity</b>		<b>3,762,976</b>	<b>3,666,687</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
Trade payables		33,341	26,027
Other financial liabilities	7	-	66,893
Provision for Income Tax, net	8	10,003	4,398
<b>Total current liabilities</b>		<b>43,344</b>	<b>97,318</b>
<b>Total equity and liabilities</b>		<b>3,806,320</b>	<b>3,764,005</b>

### Significant accounting policies

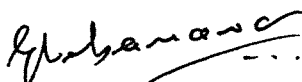
The accompanying notes from 1 to 18 are an integral part of these financial statements.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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



G.K. Subramaniam

Partner

Membership No: 109839

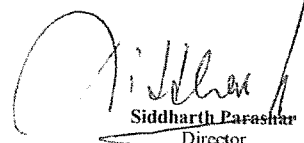
13 July 2018

Mumbai

For and on behalf of the Board of Directors



Robert Rome  
Director



Siddharth Parashar  
Director

# Firstsource BPO Ireland Limited

## Statement of profit and loss

for the year ended 31 March 2018

(Currency: In Euros)

	Note	Year ended	
		31 March 2018	31 March 2017
<b>INCOME</b>			
Revenue from operations		-	-
Other Income	9	158,608	159,328
<b>Total income</b>		<b>158,608</b>	<b>159,328</b>
<b>EXPENSES</b>			
Employee benefits expenses	10	-	27,712
Other expenses	11	25,777	83,079
<b>Total expenses</b>		<b>25,777</b>	<b>110,791</b>
<b>Profit before tax</b>		<b>132,831</b>	<b>48,537</b>
<b>Tax expense</b>			
Current tax	8	36,542	37,314
Deferred tax	8	-	-
<b>Profit for the year</b>		<b>96,289</b>	<b>11,223</b>
<b>Other comprehensive income</b>			
<b>Total other comprehensive income, net of taxes</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>96,289</b>	<b>11,223</b>
Weighted average number of equity shares outstanding during the year			
Basic		1	1
Diluted		1	1
Earnings per equity share			
Basic		96,289	11,223
Diluted		96,289	11,223

### Significant accounting policies

2

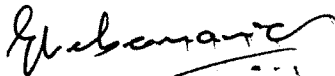
The accompanying notes from 1 to 18 are an integral part of these financial statements.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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



G.K. Subramaniam

Partner

Membership No: 109839

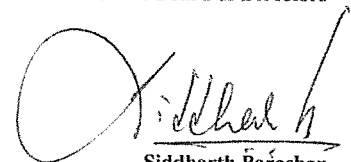
13 July 2018

Mumbai

For and on behalf of the Board of Directors



Robert Rome  
Director



Siddharth Parashar  
Director

# Firstsource BPO Ireland Limited

## Statement of changes in equity

for the year ended 31 March 2018

(Currency: In Euros)

### Statement of changes in equity

	Attributable to owners of the Company			Total
	Equity share capital	Securities Premium	Reserve and surplus Retained earnings	
Balance as at 1 April 2017	1	249,999	3,416,687	3,666,687
Profit for the year	-	-	96,289	96,289
<b>Balance as at 31 March 2018</b>	<b>1</b>	<b>249,999</b>	<b>3,512,976</b>	<b>3,762,976</b>

	Attributable to owners of the Company			Total
	Equity share capital	Securities Premium	Reserve and surplus Retained earnings	
Balance as at 1 April 2016	1	249,999	3,405,464	3,655,464
Profit for the year	-	-	11,223	11,223
<b>Balance as at 31 March 2017</b>	<b>1</b>	<b>249,999</b>	<b>3,416,687</b>	<b>3,666,687</b>

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

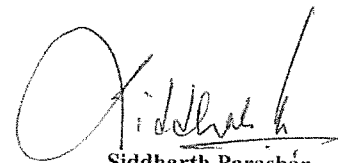


G.K. Subramaniam  
Partner  
Membership No: 109839



Robert Rome  
Director

For and on behalf of the Board of Directors



Siddharth Parashar  
Director

13 July 2018

Mumbai

Firstsource BPO Ireland Limited

Statement of cash flows

for the year ended 31 March 2018

(Currency: In Euros)

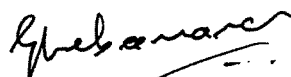
	31 March 2018	31 March 2017
<b>Cash flow from operating activities</b>		
Profit before tax	132,831	48,537
Adjustments for		
Interest income	(159,502)	(159,513)
Operating cash flow before changes in working capital	(26,671)	(110,976)
<b>Changes in working capital</b>		
(Increase) / Decrease in loans and advances and other assets	(1,868)	(3,261)
(Decrease) / Increase in liabilities and provisions	(59,579)	(109,556)
Net changes in working capital	(61,447)	(112,817)
Income taxes paid	(30,937)	(20,631)
Net cash generated used in operating activities (A)	(119,055)	(244,424)
<b>Cash flow from investing activities</b>		
Interest income received	185,300	133,715
Net cash generated from investing activities (B)	185,300	133,715
<b>Cash flow from financing activities</b>		
Interest paid	-	-
Net cash generated from / (used in) financing activities (C)	-	-
Net Increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)	66,245	(110,709)
Cash and cash equivalents at the beginning of the year	34,939	145,648
Cash and cash equivalents at the end of the year	101,184	34,939

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 2018	31 March 2017
Cash on hand	-	-
Balances with banks		
- in current accounts	101,184	34,939
Cash and cash equivalents	101,184	34,939

As per our report of even date attached.  
 For DELOITTE HASKINS & SELLS LLP  
 Chartered Accountants  
 Firm's Registration No: 117366W/W-100018

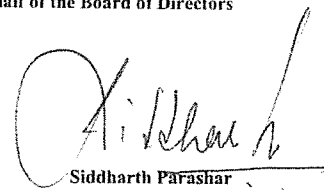


G.K. Subramaniam  
 Partner  
 Membership No: 109839  
 13 July 2018  
 Mumbai

For and on behalf of the Board of Directors



Robert Rome  
 Director



Siddharth Parashar  
 Director



# Firstsource BPO Ireland Limited

## Notes to the financial statements

for the year ended 31 March 2018

(Currency: In Euros)

### 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. The Company provides contact center and transaction processing services for customers in the financial services and telecommunication industry.

#### *Basis of preparation and Statement of Compliance*

These special purpose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value 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 Companies (Indian Accounting Standards) Amendment Rules, 2016.

These special purpose financials 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, 2018 in accordance with Generally Accepted Accounting Principles ('Indian GAAP') and to assist Firstsource Solutions Limited, the Holding Company, to comply with the requirement of section 129(3) of the Act.

These special purpose financials statement were approved by the Board of Directors of Firstsource Solutions Limited, the holding company and authorised for the issue on 7 May 2018.

### 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

# Firstsource BPO Ireland Limited

## Notes to the financial statements

for the year ended 31 March 2018

(Currency: In Euros)

### 2.1 *Use of estimates (Continued)*

#### 2.1.1 *Critical accounting estimates*

##### **Taxation**

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 2.5.

### 2.2 *Revenue recognition*

Revenue from contact centre and transaction processing services comprises from both time / unit price and fixed fee based service contracts. Revenue from time / unit price based contracts is recognised as services are rendered and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee based service contracts is recognised on achievement of performance milestones specified in the customer contracts. Unbilled receivables represent costs incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms 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 *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 *Employee benefits*

Contribution payable to the social security, medicare and other employees related contributions as required are charged to the statement of profit and loss.

### 2.5 *Taxation*

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.

# Firstsource BPO Ireland Limited

## Notes to the financial statements

for the year ended 31 March 2018

(Currency: In Euros)

### 2 Significant accounting policies (Continued)

#### 2.6 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.

#### 2.7 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.

#### 2.8 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.

# Firstsource BPO Ireland Limited

## Notes to the financial statements

for the year ended 31 March 2018

(Currency: In Euros)

## 2 Significant accounting policies (Continued)

### 2.9 Financial instruments

#### 2.9.1 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.

#### 2.9.2 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.

# Firstsource BPO Ireland Limited

## Notes to the financial statements

for the year ended 31 March 2018

(Currency: In Euros)

### 2 Significant accounting policies (Continued)

#### 2.9 Financial instruments (Continued)

##### 2.9.2 Classification and subsequent measurement (Continued)

###### 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.

##### 2.9.3 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.

# Firstsource BPO Ireland Limited

## Notes to the financial statements

for the year ended 31 March 2018

(Currency: In Euros)

### 2 Significant accounting policies (Continued)

#### 2.9 Financial instruments (Continued)

##### 2.9.4 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.

##### 2.10 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.

##### 2.11 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.

##### 2.12 Recent accounting pronouncements

###### **Ind AS 21 Foreign currency transactions and advance consideration:**

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

###### **Ind AS 115 Revenue from Contract with Customers:**

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The effect on adoption of Ind AS 115 on the financial statements is expected to be insignificant.

# Firstsource BPO Ireland Limited

## Notes to the financial statements (Continued)

as at 31 March 2018

(Currency: In Euros)

	31 March 2018	31 March 2017
<b>3) Other financial assets</b>		
<i>(Unsecured, considered good)</i>		
Loan to Related Parties	37,00,000	37,00,000
Interest accrued but not due	-	25,798
Other Advances to Related Parties	971	-
	<u>37,00,971</u>	<u>37,25,798</u>
<b>4) Cash and cash equivalents</b>		
Balances with banks		
-in current accounts	1,01,184	34,939
	<u>1,01,184</u>	<u>34,939</u>
<b>5) Other Current Assets</b>		
Indirect tax Recoverable	4,165	3,268
	<u>4,165</u>	<u>3,268</u>

Firstsource BPO Ireland Limited  
**Notes to the financial statements (Continued)**  
as at 31 March 2018  
(Currency: In Euros)

31 March 2018    31 March 2017

**6) Share capital**

**Authorised**

1,00,000 Ordinary Shares of EURO 1 each (31 March 2017: 1,00,000 shares)	<u>1,00,000</u>	<u>1,00,000</u>
	<u>1,00,000</u>	<u>1,00,000</u>

**Issued, subscribed and paid-up**

1 Ordinary share of EURO 1 each (31 March 2017: 1 share)	1	1
	<u>1</u>	<u>1</u>

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

	31 March 2018		31 March 2017	
	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 2018		31 March 2017	
	Number of shares	% of total shares	Number of shares	% of total shares
Firstsource Solutions 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.

**7) Other Financial Liabilities**

Payables to Related Parties	-	66,893
	<u>-</u>	<u>66,893</u>

**8) Taxation**

**Income Tax Liability**

Provision for Income tax, net of advance tax	10,003	4,398
	<u>10,003</u>	<u>4,398</u>

**Income tax expense**

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

	Year ended	
	31 March 2018	31 March 2017
Current taxes	36,542	37,314
Deferred taxes	-	-
<b>Income tax expense</b>	<u>36,542</u>	<u>37,314</u>

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

	Year ended	
	31 March 2018	31 March 2017
<b>Profit before income taxes</b>	1,32,831	48,537
Enacted tax rates in Ireland	25.00%	25.00%
Computed expected tax expense	33,208	12,134
Disallowed expenses	3,334	25,180
<b>Income tax expense</b>	<u>36,542</u>	<u>37,314</u>



Firstsource BPO Ireland Limited  
**Notes to the financial statements (Continued)**  
*for the year ended 31 March 2018*  
 (Currency: In Euros)

	Year ended	
	31 March 2018	31 March 2017
<b>9) Other income</b>		
Interest income	1,59,502	1,59,513
Foreign Exchange Loss	-894	-185
	<u>1,58,608</u>	<u>1,59,328</u>
<b>10) Employee benefits expense</b>		
Salaries and wages	-	24,397
Contribution to social security and other benefits	-	3,164
Staff welfare expenses	-	151
	<u>-</u>	<u>27,712</u>
<b>11) Other expenses</b>		
Information and communication expenses	-	1,084
Travel and conveyance	-	432
Legal and Professional Fees	24,057	19,928
Bank administration charges	1,720	2,019
Allocated Corporate Cost	-	59,616
	<u>25,777</u>	<u>83,079</u>

Firstsource BPO Ireland Limited  
**Notes to the financial statements (Continued)**  
for the year ended 31 March 2018  
(Currency: In Euros)

**12) Financial instruments**

**I. Financial instruments by category:**

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	1,01,184	-	-	1,01,184	1,01,184
Other financial assets	37,00,971	-	-	37,00,971	37,00,971
<b>Total</b>	<b>38,02,155</b>	-	-	<b>38,02,155</b>	<b>38,02,155</b>
<b>Financial liabilities</b>					
Trade payables	33,341	-	-	33,341	33,341
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>33,341</b>	-	-	<b>33,341</b>	<b>33,341</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2017 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	34,939	-	-	34,939	34,939
Other financial assets	37,25,798	-	-	37,25,798	37,25,798
<b>Total</b>	<b>37,25,798</b>	-	-	<b>37,60,737</b>	<b>37,60,737</b>
<b>Financial liabilities</b>					
Trade payables	26,027	-	-	26,027	26,027
Other financial liabilities	66,893	-	-	66,893	66,893
<b>Total</b>	<b>92,920</b>	-	-	<b>92,920</b>	<b>92,920</b>

Fair value hierarchy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2018 and 31 March 2017.

**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. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue.

**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 2018 and 31 March 2017:

	31 March 2018		31 March 2017	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	33,341	-	26,027	-
Other financial liabilities	-	-	66,893	-

Firstsource BPO Ireland Limited  
Notes to the financial statements (Continued)

for the year ended 31 March 2018  
(Currency: In Euros)

13) Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2018 are summarized below:

Ultimate Holding Company	CESC Limited
Holding Company	Firstsource Solutions Limited
Fellow Subsidiary Companies	MedAssist Holding LLC Firstsource Advantage LLC Firstsource Solutions USA LLC Firstsource Solutions UK Limited Firstsource Business Process Services LLC Firstsource Process Management Services Limited Firstsource Dialog Solutions (Private) Limited Firstsource Group USA Inc. Firstsource Solutions USA LLC ISGN Fulfillment Services, Inc ISGN Fulfillment Agency, LLC ISGN Solutions, Inc. One Advantage LLC
Directors	Siddharth Parashar Robert Rome

Particulars of related party transactions:

Name of the related party	Description	Transaction value during the year ended		Receivable / (Payable) as at	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Firstsource Solutions Limited	Reimbursement of expense Receivable / (Payable)	-	59,616	-	(59,616)
Firstsource Group USA Inc	Interest accrued but not due Interest Income Loan Receivable Advances recoverable	- 1,59,502	25,798 1,59,513	37,00,000 971	37,25,800 -
Firstsource Solutions UK Limited	Reimbursement of expense Receivable / (Payable)	-	7,279	-	(7,279)

Firstsource BPO Ireland Limited  
**Notes to the financial statements (Continued)**  
*for the year ended 31 March 2018*  
 (Currency: In Euros)

**14) 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 the Holding Company.

**15) Computation for calculating basic and diluted earnings per share**

	For the year ended	
	31 March 2018	31 March 2017
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	96,289	11,223
Net profit after tax for diluted earnings per share	96,289	11,223

**16) Capital and other commitments and contingent liabilities**

The Company has capital commitments of Euro Nil (31 March 2017: Euro Nil) as at the balance sheet date. There are no contingent liabilities as at Balance sheet date. (31 March 2017 : Euro Nil)


**17) Long-term contracts**

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the company has reviewed and ensured that adequate provision as required under law/ accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

**18) Subsequent events**

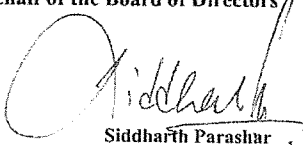
The Company evaluated subsequent events from the balance sheet date through 13 July 2018 and determined that there are no material items to report.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**  
 Chartered Accountants  
 Firm's Registration No: 117366W/W-100018  
  
**G.K. Subramaniam**  
 Partner  
 Membership No: 109839

For and on behalf of the Board of Directors

  
**Robert Rome**  
 Director

  
**Siddharth Parashar**  
 Director

13 July 2018  
 Mumbai