

# SHELESH SINGHVI & CO.

CHARTERED ACCOUNTANTS

Mumbai Office: E-702, DHEERAJ JAMUNA CO OPERATIVE HOUSING SOCIETY, CHINCHOLI BUNDER  
ROAD, MALAD (WEST),  
MUMBAI (TEL: 9322676819, 9773756991)

To,

**The Board of Directors,**

**Firstsource Solutions Limited,**

**Mumbai**

We have reviewed the attached balance sheet of **Medassist Holding Inc.** ("the Company") as at March 31<sup>st</sup>, 2013 and the Profit & Loss account for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. These financials are prepared to comply with requirements of section 212 of Companies Act, 1956.

We conducted our review in accordance with the Standard of Review Engagements (SRE) 2400, engagements to review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon are in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March; 2013.
- ii) in the case of the Profit & Loss account, of the profit of the Company for the year ended on that date.

**For Shelesh Singhvi & Co.**

Chartered Accountants

Firm Registration No.14792C

*Praveena Jain*

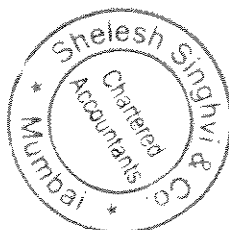
**PRAVEENA JAIN**

Partner

Membership No: 402256

Place: Mumbai

Date: 7<sup>th</sup> May, 2013



**Medassist Holdings Inc.**  
**Balance Sheet**  
as at 31 March 2013

	Note	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	3	625,967,752	625,967,752	11,531,137	11,531,137
Reserves and Surplus	4	(211,450,688)	(373,940,410)	(3,895,196)	(6,888,467)
		414,517,063	252,027,342	7,635,941	4,642,670
<b>Non-current liabilities</b>					
Deferred tax liabilities, net	5	621,144,071	621,144,071	11,442,278	11,442,278
Other Non Current Liabilities	6	93,227,828	-	1,717,377	-
		714,371,899	621,144,071	13,159,655	11,442,278
<b>Current liabilities</b>					
Trade payables	7	251,984,299	353,008,383	4,826,090	6,502,872
Other current liabilities	8	281,269,263	556,823,056	5,181,344	10,294,244
		543,253,564	911,831,439	10,007,434	16,797,116
		1,672,142,526	1,785,002,852	30,803,030	32,882,064
<b>ASSETS</b>					
<b>Non current assets</b>					
<b>Fixed assets</b>					
Tangible assets	9	46,593,383	54,484,593	858,310	1,003,677
Intangible assets		29,755,797	39,124,695	548,140	720,728
		76,349,180	93,609,288	1,406,450	1,724,405
Long-term loans and advances	10	29,508,242	29,974,026	543,580	552,160
		105,857,422	123,583,314	1,950,030	2,276,565
<b>Current assets</b>					
Trade receivables	11	936,309,189	903,011,772	17,248,027	16,634,546
Cash and bank balances	12	160,586,842	221,994,507	2,958,254	4,089,426
Other current assets	13	469,387,073	536,413,258	8,646,719	9,861,427
		1,566,285,104	1,661,419,537	28,853,000	30,605,499
		1,672,142,526	1,785,002,852	30,803,030	32,882,064

Significant accounting policies

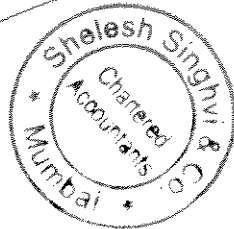
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The accompanying notes from 1 to 27 form an integral part of the financial statement.

As per our report of even date attached

For SHELESH SINGHVI & CO.  
Chartered Accountants  
Firm's Registration No: 014792C

*Praveena Jain*  
Praveena Jain  
Partner  
Membership No: 402256



Mumbai  
07 May 2013

For and on behalf of the Board of Directors

*Arjun Mitra*  
Arjun Mitra  
Director

Mitzi Winters  
Director

Matthew David Strickler  
Director

Medassist Holdings Inc.  
Statement of profit and loss  
for the year ended 31 March 2013

	Notes	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Income</b>					
Revenue from Operations	14	5,608,498,876	6,392,594,751	103,315,812	117,761,716
Other Income	15	934,885	665	17,222	12
		<b>5,609,433,761</b>	<b>6,392,695,416</b>	<b>103,333,034</b>	<b>117,761,728</b>
<b>Expenses</b>					
Employee benefits expense	16	3,899,515,884	4,282,442,300	71,834,131	78,888,133
Finance cost	17	470,782,240	451,800,321	8,672,419	8,322,747
Depreciation and amortisation	9	51,236,823	62,682,804	943,849	1,154,698
Other expenses	18	1,023,495,861	1,191,313,122	18,854,119	21,945,530
		<b>5,445,030,810</b>	<b>5,988,238,547</b>	<b>100,304,518</b>	<b>110,311,109</b>
<b>Profit Before Taxation</b>		<b>164,402,951</b>	<b>404,456,869</b>	<b>3,028,516</b>	<b>7,450,619</b>
Provision for Tax					
Current tax		1,913,286	26,680,369	35,245	491,487
<b>Profit After Taxation</b>		<b>162,489,665</b>	<b>377,776,500</b>	<b>2,993,271</b>	<b>6,959,132</b>
<b>Earnings per share</b>					
Weighted average number of equity shares outstanding during the year		992	992	992	992
- Basic and diluted					
<b>Earning per share</b>					
- Basic and diluted		163,800	380,823	3,017	7,015

Significant accounting policies

2

The accompanying notes from 1 to 27 form an integral part of the financial statement.

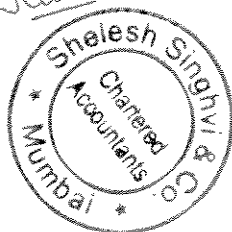
As per our report of even date attached

For SHELESH SINGHVI & CO.  
Chartered Accountants  
Firm's Registration No: 014792G

*Praveena Jain*

Praveena Jain  
Partner  
Membership No: 402256

Mumbai  
07 May 2013



For and on behalf of the Board of Directors

*Arjun Mitra*

Arjun Mitra  
Director

Mitzi Winters  
Director

Matthew David Strickler  
Director

**MEDASSIST HOLDING INC.**  
Cash flow statement  
for the year ended 31 March 2013

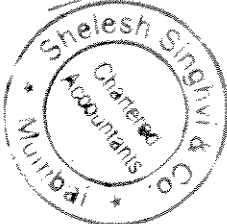
	In Rupees		In USD	
	2013	2012	2013	2012
<b>Cash flow from operating activities</b>				
Net profit after tax	162,489,720	377,776,500	2,993,271	6,959,132
Adjustments for				
Depreciation and amortisation	51,236,823	62,682,804	943,849	1,154,699
Provision for current tax	1,913,286	26,680,369	35,245	491,487
Provision for doubtful debts	15,063,447	9,132,777	276,383	180,238
(Profit) / loss on sale of fixed assets net	182,834	0	3,552	
Interest costs	479,782,240	451,800,321	8,672,419	8,322,747
Interest and dividend income	0	(665)	0	(12)
<b>Operating cash flow before changes in working capital</b>	<b>701,618,350</b>	<b>928,072,106</b>	<b>12,924,719</b>	<b>17,096,290</b>
Changes in working capital				
Decrease / (Increase) in Debtors	(48,300,870)	337,618,445	(889,765)	6,219,369
(Increase) / Decrease in Loans and advances and other current assets	67,616,510	(164,911,759)	1,245,821	(3,037,886)
Increase / (Decrease) in current and other liabilities	(275,350,052)	(517,860,460)	(5,072,305)	(9,539,660)
<b>Net changes in working capital</b>	<b>(256,032,412)</b>	<b>(345,153,774)</b>	<b>(4,716,449)</b>	<b>(6,358,176)</b>
Income taxes paid	(1,442,736)	0	(26,577)	
<b>Net cash generated from operating activities (A)</b>	<b>444,143,201</b>	<b>582,918,332</b>	<b>8,181,694</b>	<b>10,738,111</b>
<b>Cash flow from investing activities</b>				
Interest and dividend income received	173,712,000	695	3,200,000	12
Capital expenditure	(34,766,663)	32,868,900	(640,447)	605,487
<b>Net cash used in investing activities (B)</b>	<b>138,945,337</b>	<b>32,869,565</b>	<b>2,559,553</b>	<b>605,499</b>
<b>Cash flow from financing activities</b>				
Interest paid	(479,782,240)	(451,800,321)	(8,672,419)	(8,322,747)
Dividend paid	(173,712,000)	(414,891,719)	(3,200,000)	(7,642,843)
<b>Net cash used in financing activities (C)</b>	<b>(644,494,240)</b>	<b>(866,692,040)</b>	<b>(11,872,419)</b>	<b>(15,965,590)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(61,405,702)</b>	<b>(250,904,143)</b>	<b>(1,131,173)</b>	<b>(4,621,980)</b>
Cash and cash equivalents at the beginning of the year*	221,994,516	472,898,649	4,089,426	6,711,406
Cash and cash equivalents at the end of the year*	160,588,815	221,994,506	2,958,253	4,089,426

\* Refer schedule 12 for components of cash and cash equivalents.

As per our report attached.

For SHELESH SINGHVI & CO.  
Chartered Accountants  
Firm's Registration No: 014792C

Praveena Jain  
Praveena Jain  
Partner  
Membership No. 482256  
Mumbai  
07 May 2013



For and on behalf of the Board of Directors

Arjun Mitra  
Arjun Mitra  
Director

Mitzi Winters  
Mitzi Winters  
Director  
Matthew David Strickfer  
Matthew David Strickfer  
Director

# MEDASSIST HOLDING INC.

## Notes to the financial statements

as at 31 March 2013

(Currency: In Indian rupees)

### 1 Background

Medassist Holding Inc. (Medassist), a Kentucky corporation, was formed in April 2003. Medassist alongwith its subsidiaries are a leading provider of revenue cycle management services in healthcare industry. The Company is a wholly owned subsidiary of Firstsource Group USA Inc., which is a wholly owned subsidiary of Firstsource Solutions Limited, India. With effect from 1 April 2010, Firstsource Sherpa Asset LLC – an another subsidiary of Firstsource Group USA Inc., is merged with the Company. Further, the business units viz. legacy Medplans and legacy Sherpa was demerged from the Company and the resultant company Firstsource Transaction Services LLC ('the Company') was incorporated under the laws of the State of Delaware on 26 May 2011. Further with effect from October 1, 2011, Firstsource Financial Services LLC, a subsidiary of Medassist Holdings Inc. was demerged from the company.

### 2 Significant accounting policies

#### 2.1 Basis of preparation

The financial statements of Medassist Holdings Inc. ('the Company') have been prepared under the historical cost convention, on accrual basis of accounting principles generally accepted in India. The Balance Sheet and Statement of profit and loss of the Company has been drawn up in the country of its incorporation (United States of America) in the terms of United States Dollar ('USD'). However, for the purpose of compliance with the requirements of Section 212 of the Act, amounts for both years in these financial statements have been translated into Indian rupees at the closing rate on 31 March 2013 which is 1 USD = Rs 54.285. No representation is made that USD amounts have been, could have been or could be converted into Indian rupees at such a rate.

#### 2.2 Use of estimates

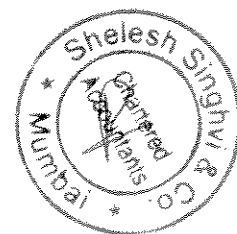
The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 2.3 Revenue recognition

Revenue cycle management services comprise of both time/unit price and fixed fee based service contracts. Revenue from time/ unit price based contracts is recognized on completion of the related services and is billed in accordance with the contractual terms specified in the respective customer contracts. Revenue from fixed fee based service contracts is recognized on achievement of performance milestones specified in the customer contracts.

Unbilled receivables represent costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract.

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



# MEDASSIST HOLDING INC.

## Notes to the financial statements

as at 31 March 2013

(Currency: In Indian rupees)

### 2 Significant accounting policies (Continued)

#### 2.3 Revenue recognition (Continued)

Interest income is recognized using the time proportion method, based on the underlying interest rates.

#### 2.4 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the fixed assets. Depreciation on fixed assets is provided, using the straight line basis, pro rata to the period of use based on management's best estimate of useful lives of the assets (which are shorter than those prescribed under the Companies Act, 1956) as summarized below:

Asset	Useful life (in years)
<i>Intangible</i>	
Software	3 – 4
Goodwill	5 or estimated useful life, whichever is shorter
<i>Tangible</i>	
Leasehold improvements	5 or Lease term which ever is shorter
Computers	3 – 4
Furniture	3 – 5
Services Equipments	3 – 5
Vehicles	2 – 5

Software purchased together with the related hardware is capitalized and depreciated at the rates applicable to related assets.

Individual assets costing upto Rs. 5,000 are depreciated in full in the year of purchase.

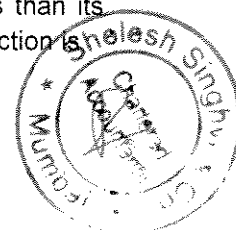
#### 2.5 Impairment of assets

##### a) Financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

##### b) Non-financial assets

The Group assesses at each balance sheet date whether there is any indication that a non financial asset including goodwill may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is



## **MEDASSIST HOLDING INC.**

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

*as at 31 March 2013*

(Currency: In Indian rupees)

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

### **2.5 Impairment of assets (Continued)**

treated as an impairment loss and is recognised in the statement of profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **2.6 Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is, recognized in the statement of profit and loss. Foreign currency denominated assets and liabilities other than fixed assets at year end are translated at the year end exchange rates and the resulting net gain or loss is recognized in the statement of profit and loss. Non Monetary assets are carried at historical cost.

### **2.7 Taxation**

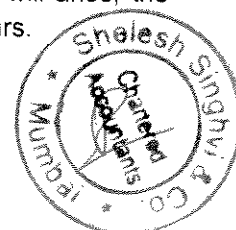
Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. The tax liability is computed on a consolidated basis and hence the tax liabilities for the company have been included in the financial statements of the parent company ie. Firstsource Group USA Inc.

### **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 the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized 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 recognized in the period in which the change occurs.



# **MEDASSIST HOLDING INC.**

## **Notes to the financial statements**

as at 31 March 2013

(Currency: In Indian rupees)

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

#### **2.9 Leases**

##### *Operating lease*

Lease rentals in respect of assets acquired under operating lease are charged off to the statement of profit and loss account as incurred.

#### **2.10 Retirement benefits**

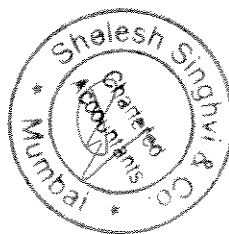
Contributions payable to the social security, medicare and other employee related contributions as required under the State of Delaware Law are charged to the statement of profit and loss account.

#### **2.11 Investments**

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less other than any temporary diminution in value, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

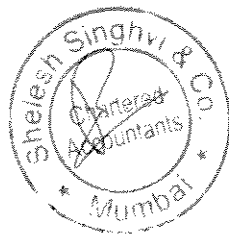




**MEDASSIST HOLDING INC.**

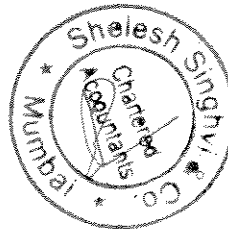
Notes to the accounts  
as at 31 March 2013

	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>3 Share Capital</b>				
992 Voting Common Stock	516	516	10	10
Non-Voting Common Stock	-	-	-	-
Net Additional Paid in Capital	515,972,911	515,972,911	9,504,889	9,504,889
Net Retained Earnings (Prior to Acquisition)	109,994,325	109,994,325	2,026,238	2,026,238
	<b>625,967,752</b>	<b>625,967,752</b>	<b>11,531,137</b>	<b>11,531,137</b>
<b>a. Reconciliation of number of common stock outstanding</b>				
	31 March 2013		31 March 2012	
	No. of Stock	Amount in Rupees	No. of Stock	Amount in Rupees
Common stock outstanding at the beginning of the year	992	543	992	543
Common stock outstanding at the end of the year	992	543	992	543
		Amount in USD		Amount in USD
		10		10
		10		10
<b>b. Details of Common stockholders holding more than 5% common stock in the Company</b>				
	31 March 2013		31 March 2012	
	No. of Stock	% of holding	No. of Stock	% of holding
Firstsource Group USA Inc	992	100	992	100
	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>4 Reserve and Surplus</b>				
Reserves and Surplus				
Balance at the beginning of the year	(373,940,410)	735,870,306	(6,888,467)	13,555,684
Add : Surplus for the year	162,489,720	377,776,500	2,993,271	6,959,132
Add : Changes on account of restructuring	-	(1,072,695,497)	-	(19,760,440)
Add : Dividend received from Firstsource Transaction Services LLC	173,712,000	-	3,200,000	-
Less : Dividend paid to Firstsource Group USA, Inc.	173,712,000	414,891,719	3,200,000	7,642,843
	<b>(211,450,689)</b>	<b>(373,940,410)</b>	<b>(3,895,196)</b>	<b>(6,888,467)</b>
<b>5 Deferred Tax Liability, net</b>				
On Carry forward losses	(2,930,464)	(2,930,464)	(53,983)	(53,983)
On Goodwill and other amortisations	138,703,664	138,703,664	2,555,101	2,555,101
Transfer on account of mergers / demergers	485,370,871	485,370,871	8,941,160	8,941,160
	<b>621,144,071</b>	<b>621,144,071</b>	<b>11,442,278</b>	<b>11,442,278</b>
<b>6 Long Term Provisions</b>				
Compensated Absences	93,227,828	-	1,717,377	-
	<b>93,227,828</b>	<b>-</b>	<b>1,717,377</b>	<b>-</b>



**MEDASSIST HOLDING INC.**  
**Notes to the accounts**  
*as at 31 March 2013*

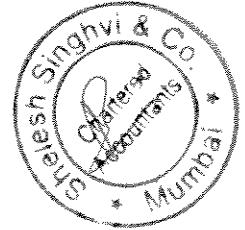
	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>7 Trade payables</b>				
Trade payables for expenses and services	261,984,299	353,008,383	4,826,090	6,502,872
	<b>261,984,299</b>	<b>353,008,383</b>	<b>4,826,090</b>	<b>6,502,872</b>
<b>8 Other current liabilities</b>				
Inter company payable net	233,628,808	536,431,450	4,303,745	9,881,762
Employee related statutory dues	275,983	(6)	5,084	-
Compensated Absences	23,405,521	-	431,160	-
Withholding Taxes /other taxes payable	20,445,906	22,391,612	376,640	412,482
Creditors for Capital Goods	3,513,046	-	64,715	-
	<b>281,269,263</b>	<b>558,823,056</b>	<b>5,181,344</b>	<b>10,294,244</b>



**MEDASSIST HOLDING INC.**  
Notes to the financial statements  
as at 31 March 2013

**9. Fixed Assets**

	Tangible Assets					Intangible assets			Total Assets
	Computers	Service equipments	Office furniture and equipment	Leasehold improvements	Total Tangible Assets	Goodwill	Software	Total Intangible assets	
<b>Gross Block</b>									
Opening balance	130,591,627	165,470,703	36,546,787	16,239,429	348,848,546	42,434,182	231,820,968	274,255,151	623,103,696
Additions during the year	7,692,589	5,787,935	6,301,472	1,173,856	20,955,852	-	13,213,587	13,213,587	34,169,439
Deletions / transfers during the year	3,284,357	77,084	-	-	3,361,441	-	67,369	67,369	3,428,810
As at 31 March 2013	134,999,858	171,181,555	42,848,260	17,413,286	366,442,958	42,434,182	244,967,186	287,401,368	653,844,326
<b>Accumulated depreciation / amortization</b>									
Opening balance	106,980,268	144,224,117	33,914,208	9,245,360	294,363,953	32,228,991	202,901,410	235,130,401	529,494,354
Charge for the year	10,052,176	11,398,441	5,787,646	1,416,020	28,654,283	7,479,858	15,102,681	22,582,539	51,236,822
Deletions / transfers during the year	3,091,523	77,084	-	-	3,168,607	-	67,369	67,369	3,235,976
As at 31 March 2013	113,940,921	155,545,474	39,701,854	10,661,380	319,849,629	39,708,849	217,936,722	257,645,571	577,495,200
<b>Net Block (INR)</b>	<b>21,058,937</b>	<b>15,636,080</b>	<b>3,146,405</b>	<b>6,751,905</b>	<b>46,593,328</b>	<b>2,725,332</b>	<b>27,030,464</b>	<b>29,755,796</b>	<b>76,349,124</b>
As at 31 March 2012 (INR)	23,611,358	21,246,586	2,632,579	6,994,070	54,484,593	10,205,190	28,919,559	39,124,749	93,609,342
<b>Net Block (USD)</b>	<b>387,933</b>	<b>288,037</b>	<b>57,961</b>	<b>124,379</b>	<b>858,310</b>	<b>50,204</b>	<b>497,936</b>	<b>548,140</b>	<b>1,406,450</b>
As at 31 March 2012 (USD)	434,952	391,390	48,496	128,839	1,003,677	187,993	532,735	720,728	1,724,405

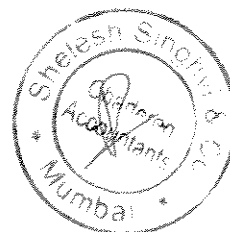


MEDASSIST HOLDING INC.

Notes to the accounts

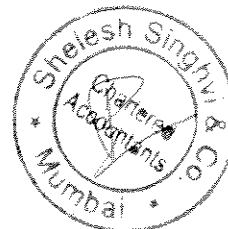
as at 31 March 2013

	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>10 Long term loans and advances</b>				
<i>(Unsecured, considered good)</i>				
Deposits	4,656,513	6,011,592	85,779	110,741
Prepaid expenses	24,851,729	23,962,434	457,801	441,419
	<b>29,508,242</b>	<b>29,974,026</b>	<b>543,580</b>	<b>552,160</b>
<b>11 Trade receivables</b>				
<i>(Unsecured)</i>				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
- Considered good	-	-	-	-
- Considered doubtful	38,656,010	25,395,111	712,094	467,811
Less : Provision for bad and doubtful debts	(38,656,010)	(25,395,111)	(712,094)	(467,811)
	-	-	-	-
Other receivables				
Considered good	936,309,189	903,011,772	17,248,027	16,634,646
	<b>936,309,189</b>	<b>903,011,772</b>	<b>17,248,027</b>	<b>16,634,646</b>
<b>12 Cash and Bank Balances</b>				
Balance with Bank				
in trust accounts	5,447,101	-	100,343	-
in current accounts	160,588,842	221,994,507	2,958,254	4,089,426
	<b>166,035,943</b>	<b>221,994,507</b>	<b>3,058,597</b>	<b>4,089,426</b>
Less: balance held in trust accounts	5,447,101	-	100,343	-
	<b>160,588,842</b>	<b>221,994,507</b>	<b>2,958,254</b>	<b>4,089,426</b>
<b>13 Other Current Assets</b>				
Advances recoverable in cash or in kind or for value to be received	-	1,742,081	-	32,091
Income Tax Receivable	12,820,163	13,290,705	236,164	244,832
Unbilled receivables	455,969,797	521,380,472	8,399,555	9,604,504
Capital Advance	597,113	-	11,000	-
	<b>469,387,073</b>	<b>536,413,258</b>	<b>8,646,719</b>	<b>9,881,427</b>



**MEDASSIST HOLDING INC.**  
**Schedules to the financial statements**  
for the year ended 31 March 2013

	Amount in Rupees		Amount in USD	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>14 Revenue From Operations</b>				
Revenue, Eligibility	4,237,283,420	5,255,162,839	78,056,248	96,806,905
Revenue, Receivables	1,266,631,929	1,137,531,912	23,333,000	20,954,811
Revenue, Collections	104,583,527	-	1,926,564	-
	<b>5,608,498,876</b>	<b>6,392,694,751</b>	<b>103,316,812</b>	<b>117,761,716</b>
<b>15 Other Income</b>				
Interest income	-	665	-	12
Miscellaneous income	934,885	-	17,222	-
	<b>934,885</b>	<b>665</b>	<b>17,222</b>	<b>12</b>
<b>16 Employee Benefits expense</b>				
Salaries and wages	3,538,375,564	3,938,208,300	65,181,460	72,546,897
Contribution to Provident and Other Funds	11,689,613	12,382,381	215,338	228,100
Staff Welfare Expenses	349,460,708	331,851,619	6,437,335	6,113,137
	-	-	-	-
	-	-	-	-
	<b>3,899,515,885</b>	<b>4,282,442,300</b>	<b>71,834,133</b>	<b>78,888,134</b>
<b>17 Finance Cost</b>				
Interest Expense	470,782,240	451,800,321	8,672,419	8,322,747
	<b>470,782,240</b>	<b>451,800,321</b>	<b>8,672,419</b>	<b>8,322,747</b>
<b>18 Other Expenses</b>				
Services rendered by business associates and others	-	68,620,420	-	1,264,077
Rent,	122,015,872	183,728,464	2,247,690	3,384,516
Rates & Taxes	12,135,611	-	223,554	-
Bank Fees	8,955,092	19,396,062	164,964	357,301
Insurance	17,862,499	24,934,363	329,050	459,323
Traveling and Conveyance	96,718,113	106,698,264	1,763,252	1,965,520
Legal and Professional Fees	98,913,609	108,548,831	1,822,117	1,999,610
Marketing and Support Services	28,270,152	23,211,121	520,773	427,579
Communication Expenses	210,181,322	219,441,344	3,871,812	4,042,394
Information Services	95,581,372	103,299,086	1,760,733	1,902,903
Connectivity Charges	80,942,407	75,088,639	1,491,064	1,383,230
Common Corporate Expenses	73,072,843	71,334,773	1,346,096	1,314,079
Printing and Stationary	32,911,837	42,316,668	606,279	779,528
Miscellaneous Expenses	2,304,022	10,672,877	42,443	196,608
Charitable Contribution	996,673	-	18,360	-
Repairs and Maintenance - Others	30,567,621	38,525,527	563,095	709,690
Car Hire Charges and Other Hire Charges	10,704,241	16,270,556	197,186	299,725
Software Expenses	5,709,049	9,481,699	105,168	174,665
Computer Expenses	39,790,857	29,432,793	732,999	542,190
Bad Debts Written Off / Provision for Doubtful Accounts	15,003,447	9,132,777	276,383	168,238
Recruitment / Training Expense	28,484,112	15,174,378	524,714	279,532
Electricity, Water and Power Consumption	13,182,276	15,249,970	242,835	280,924
Membership Fees	-	754,510	-	13,899
Loss on sale / write off of fixed assets, net	192,834	-	3,552	-
	<b>1,023,495,861</b>	<b>1,191,313,122</b>	<b>18,854,119</b>	<b>21,945,531</b>



## MEDASSIST HOLDING INC.

### Notes to the accounts

as at 31 March 2013

#### 19. Leases

The Company has taken office facilities under non cancelable operating leases. The Company intends to renew such lease in the normal course of its business. Rental expenses under cancelable operating leases aggregating to Rs. 109,150,904 equivalent to USD 2,010,701 (31 March 2012: 147,897,148 equivalent to USD 2,724,457) have been debited to the profit and loss account.

The future minimum lease payments in respect of non-cancelable operating leases are as follows:

	Amount in Rupees		Amount in US \$	
	2013	2012	2013	2012
Amount due within one year from the balance sheet date	<b>168,782,957</b>	207,425,320	<b>3,109,201</b>	3,458,747
Amount due in the period between one year and five years	<b>145,350,083</b>	358,425,778	<b>2,677,537</b>	2,442,670
	<b>314,133,040</b>	565,851,098	<b>5,786,738</b>	5,901,417

#### 20. Transfer pricing

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Accordingly, the company's management believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended 31 March 2013, particularly on the amount of tax expense and that of the provision for taxation.

#### 21. Capital commitments

The Company has capital commitments of Rs 6,548,343 in USD 120,629 (31 March 2012: Nil) as at the balance sheet date.

#### 22. Supplementary statutory information (accrual basis)

	31 March 2013	31 March 2012
(i). <i>Earnings in foreign exchange</i>		
Income from services	65,359	2,650
Other income	-	7,767
(ii). <i>Expenditure in foreign currency</i>		
Travel and conveyance	4,578	-
Employee cost	2,716	-
Postage and stationery	22,627	-
Other expenses	1,693	3,170



## MEDASSIST HOLDING INC.

Notes to the accounts  
as at 31 March 2013

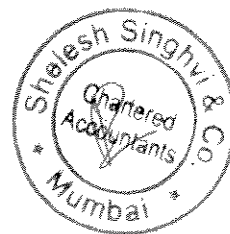
### 23. Contingent liabilities

The Company has no contingent liabilities as at the balance sheet date (31 March 2012: Nil)

### 24. Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2013 are summarized below:

Holding Company	• Firstsource Group USA Inc.
Parties with substantial interests	• Firstsource Solutions Ltd
	• RevIT Systems Private Ltd
	• Firstsource Advantage LLC
	• Firstsource Solution UK Limited
	• Anunta Tech Infrastructure Services Limited
	• Firstsource BPO Ireland Limited
	• Firstsource Dialog Solutions (Private) Ltd.
	• Firstsource Business Process Services LLC
	• Twin Lake Property I LLC
	• Twin Lake Property II LLC
Subsidiary	• Firstsource Transaction Services LLC



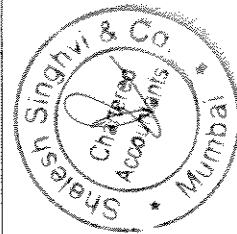
**MEDASSIST HOLDING INC.**

Notes to the accounts  
as at 31 March 2013

**24. Related Party Transactions (continued)**

**Particulars of related party transactions during the year ended 31 March 2013**

Name of the related party	Description	Transaction value during the year ended (In Rupees)		Transaction value during the year ended (In USD)		Payable (In Rupees)		Payable (In USD)	
		2013	2012	2013	2012	2013	2012	2013	2012
Firstsource Solutions Ltd	Receipt of services	-	47,580,205	-	876,489	52,836,459	47,580,205	973,316	876,489
	Recovery of expenses	6,354,138	707,496	117,051	13,033	24,433,984	-	450,106	-
	Expenses Reimbursement	5,308,277	25,944,321	97,785	477,928	24,434,004	25,180,314	450,106	463,854
RevIT Systems Private Limited	Cost of sales	39,491,958	106,633,220	727,493	1,964,322	12,000,395	12,804,746	-	235,880
Firstsource Group USA Inc.	Dividend paid	173,712,000	441,891,732	3,200,000	7,642,843	-	-	-	-
	Expenses Reimbursement	855,820,016	789,912,923	15,765,313	14,551,219	81,161,737	350,911,503	1,495,104	6,464,244
Firstsource Advantage LLC	Expenses Reimbursement	63,725,107	79,545,168	1,173,899	1,465,325	5,755,296	17,136,092	106,020	315,669
Firstsource Solutions UK Limited	Expenses Reimbursement	209,709	-	3863	-	209,709	-	3863	-
Firstsource Transaction Services	Expenses Reimbursement	44,476,732	102,974,085	819,319	1,896,916	4,312,780	2,803,655	79,447	51647
	Dividend Paid	1,73,712,000	70,148,651	3,200,000	1,292,229	-	-	-	-





**MEDASSIST HOLDING INC.**

**Notes to the accounts**  
*as at 31 March 2013*

**25. Segmental Reporting**

The company has no separate identifiable segment and in accordance with paragraph 4 of Accounting Standard 17 "Segment Reporting" prescribed in the companies (Accounting Standards) Rules, 2006, issued by the central government, the Company has presented segmental information in the consolidated financial statements (refer note 32 of the consolidated financial statements)

26. There are no Micro, Small and Medium Enterprises to whom the Company Owes dues, which are outstanding for more than 45 days during the year and also as at 31<sup>st</sup> March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Developments Act, 2006 has been determined to the extent such parties have been identified on the Basis of information available with the Company

27. Previous year's figures have been appropriately regrouped/ reclassified to conform to current year's presentation.

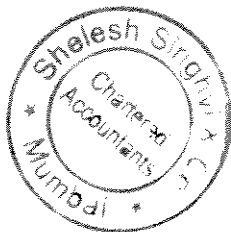
**For SHELESH SINGHVI & CO.**  
**Chartered Accountants**  
Firm's registration no: 014792C

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

*Praveena Jain*

**Praveena Jain**  
*Partner*  
Membership No: 402256

Mumbai  
7 May 2013



*Arjun Mitra*

**Arjun Mitra**  
*Director*

**Mitzi Winters**  
*Director*

**Matthew David Strickler**  
*Director*