

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 31st, 2014 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 31st March; 2014.
- ii) in the case of the Profit & Loss account, of the loss 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: 2nd May, 2014



Medassist Holdings Inc.
Balance Sheet
as at 31 March 2014

	Note	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
<u>EQUITY AND LIABILITIES</u>					
Shareholders' Funds					
Share Capital	3	690,888,052	690,888,052	11,531,137	11,531,137
Reserves and Surplus	4	(272,358,206)	(233,380,641)	(4,545,744)	(3,895,196)
		418,529,846	457,507,411	6,985,393	7,635,941
Non-current liabilities					
Long term Borrowings	5	5,486,124	-	91,565	-
Deferred tax liabilities, net	6	685,564,097	685,564,097	11,442,278	11,442,278
Long term provisions	7	125,919,895	102,896,663	2,101,642	1,717,377
		816,970,116	788,460,760	13,635,485	13,159,655
Current liabilities					
Trade payables	8	139,272,316	155,168,952	2,324,498	2,589,818
Other current liabilities	9	465,425,989	444,426,466	7,768,106	7,417,616
		604,698,305	599,595,418	10,092,604	10,007,434
		1,840,198,267	1,845,563,589	30,713,482	30,803,030
<u>ASSETS</u>					
Non current assets					
Fixed assets					
Tangible assets	10	107,766,510	51,425,671	1,798,657	858,310
Intangible assets		0	32,841,827	0	548,140
		107,766,510	84,267,498	1,798,657	1,406,450
Long-term loans and advances	11	7,190,602	5,316,814	120,014	88,739
		114,957,112	89,584,312	1,918,671	1,495,189
Current assets					
Trade receivables	12	928,479,921	1,033,415,538	15,496,620	17,248,027
Cash and bank balances	13	140,492,674	177,243,814	2,344,866	2,958,254
Other current assets	14	656,268,560	545,319,925	10,953,325	9,101,560
		1,725,241,155	1,755,979,277	28,794,811	29,307,841
		1,840,198,267	1,845,563,589	30,713,482	30,803,030

Significant accounting policies

2

The accompanying notes from 1 to 28 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



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra
Director

Mitzi Winters
Director

Venkat Raman
Director

Mumbai
02 May 2014

Medassist Holdings Inc.
Statement of profit and loss
for the year ended 31 March 2014

	Notes	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2013
Income					
Revenue from Operations	15	5,815,426,289	6,190,166,899	97,061,275	103,315,812
Other Income	16	-	1,031,844	-	17,222
		5,815,426,289	6,191,198,743	97,061,275	103,333,034
Expenses					
Employee benefits expense	17	4,245,926,929	4,303,942,050	70,865,840	71,834,133
Finance cost	18	498,553,309	519,607,957	8,321,010	8,672,419
Depreciation and amortisation	10	44,270,913	56,550,690	738,895	943,849
Other expenses	19	1,064,940,134	1,129,644,553	17,774,184	18,854,119
		5,853,691,285	6,009,745,250	97,699,929	100,304,520
Profit Before Taxation		(38,264,996)	181,453,493	(638,654)	3,028,514
Provision for Tax					
Current tax		712,629	2,111,717	11,894	35,245
Profit After Taxation		(38,977,625)	179,341,776	(650,548)	2,993,269
Earnings per share					
Weighted average number of equity shares outstanding during the year		992	992	992	992
- Basic and diluted					
Earning per share					
- Basic and diluted		(39,292)	180,788	(656)	3,017

Significant accounting policies

2

The accompanying notes from 1 to 28 form an integral part of the financial statement.

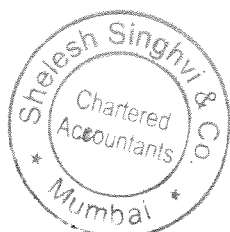
As per our report of even date attached

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

Praveena Jain

Praveena Jain
Partner
Membership No: 402256

Mumbai
02 May 2014



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra
Director

Mitzi Winters
Director

Venkat Raman
Director

MEDASSIST HOLDING INC.

Cash flow statement

for the year ended 31 March 2014

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Cash flow from operating activities				
Net profit before tax	(38,264,936)	181,453,433	(638,654)	3,028,514
Adjustments for				
Depreciation and amortisation	44,270,913	56,550,690	738,895	943,849
Provision for doubtful debts	(21,871,779)	16,559,483	(365,047)	276,383
(Profit) / loss on sale of fixed assets net	99,227	212,833	1,656	3,552
Interest costs	498,553,309	519,607,957	8,321,010	8,672,419
Operating cash flow before changes in working capital	482,786,734	774,384,396	8,057,860	12,924,717
Changes in working capital				
Decrease / (Increase) in Debtors	126,807,324	(53,310,193)	2,116,454	(889,765)
(Increase) / Decrease in Loans and advances and other current assets	(113,534,930)	74,631,354	(1,894,933)	1,245,621
Increase / (Decrease) in current and other liabilities	33,612,313	(303,907,007)	561,000	(5,072,302)
Net changes in working capital	46,884,707	(282,585,846)	782,521	(4,716,446)
Income taxes paid	0	(1,592,365)	0	(26,577)
Net cash generated from operating activities (A)	529,671,441	490,206,185	8,840,381	8,181,694
Cash flow from investing activities				
Interest and dividend income received	0	191,728,000	0	3,200,000
Capital expenditure	(67,869,272)	(38,372,401)	(1,132,759)	(640,447)
	(67,869,272)	153,355,599	(1,132,759)	2,559,553
Net cash used in investing activities (B)				
Cash flow from financing activities				
Interest paid	(498,553,309)	(519,607,957)	(8,321,010)	(8,672,419)
Dividend paid	0	(191,728,000)	-	(3,200,000)
Net cash used in financing activities (C)	(498,553,309)	(711,335,957)	(8,321,010)	(11,872,419)
Net increase in cash and cash equivalents (A+B+C)	(36,751,140)	(67,774,173)	(613,388)	(1,131,172)
Cash and cash equivalents at the beginning of the year	177,243,814	245,017,987	2,958,254	4,089,426
Cash and cash equivalents at the end of the year	140,492,674	177,243,814	2,344,866	2,958,254

* Refer schedule 13 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

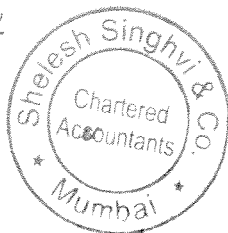
Praveena Jain

Partner

Membership No: 402256

Mumbai

02 May 2014



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra

Director

Mitzi Winters

Director

Venkat Raman

Director

MEDASSIST HOLDING INC.

Notes to the financial statements *for the year ended at 31 March 2014*

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 2014 which is 1 USD = Rs 59.915. 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 for the year ended at 31 March 2014

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 *for the year ended at 31 March 2014*

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
for the year ended at 31 March 2014

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 2014

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
3 Share Capital				
992 Voting Common Stock	569	569	10	10
Non-Voting Common Stock	-	-	-	-
Net Additional Paid in Capital	569,485,438	569,485,438	9,504,889	9,504,889
Net Retained Earnings (Prior to Acquisition)	121,402,045	121,402,045	2,026,238	2,026,238
	690,888,052	690,888,052	11,531,137	11,531,137

a. Reconciliation of number of common stock outstanding

	31 March 2014			31 March 2013		
	No. of Common Stock	Amount in Rs	Amount in USD	No. of Common Stock	Amount in Rs	Amount in USD
At the commencement of the year	992	543	10	992	543	10
At the end of the year	992	543	10	992	543	10

b. Details of Common stockholders holding more than 5% common stock in the Company

	31 March 2014		31 March 2013	
	No. of Common Stock	% of holding	No. of Common Stock	% of holding
Firstsource Group USA Inc.	992	100	992	100

4 Reserve and Surplus

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Reserves and Surplus				
Balance at the beginning of the year	(233,380,641)	(412,722,477)	(3,895,196)	(6,888,467)
Add : Surplus for the year	(38,977,565)	179,341,836	(650,548)	2,993,271
Add : Changes on account of restructuring	-	-	-	-
Add : Dividend received from Firstsource Transaction Services LLC	-	191,728,000	-	3,200,000
Less : Dividend paid to Firstsource Group USA, Inc.	-	191,728,000	-	3,200,000
	-	-	-	-
	(272,358,206)	(233,380,641)	(4,545,744)	(3,895,196)

MEDASSIST HOLDING INC.**Notes to the accounts**

as at 31 March 2014

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
5 Loan Term Borrowings				
Secured Loan				
Finance Lease Obligations	5,486,124	-	91,565	-
(Finance lease obligation carries interest rate in the range of 6% - 12%. This is secured by hypothecation of underlying fixed assets taken on lease)	5,486,124	-	91,565	-
6 Deferred Tax Liability, net				
On Carry forward losses	(3,234,387)	(3,234,387)	(53,983)	(53,983)
On Goodwill and other amortisations	153,088,883	153,088,883	2,555,101	2,555,101
Transfer on account of mergers / demergers	535,709,601	535,709,601	8,941,160	8,941,160
	685,564,097	685,564,097	11,442,278	11,442,278
7 Long Term Provisions				
Compensated Absences	125,919,895	102,896,663	2,101,642	1,717,377
	125,919,895	102,896,663	2,101,642	1,717,377

MEDASSIST HOLDING INC.**Notes to the accounts**

as at 31 March 2014

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
8 Trade payables				
Trade payables for service and goods	139,272,316	155,168,952	2,324,498	2,589,818
	139,272,316	155,168,952	2,324,498	2,589,818
9 Other current liabilities				
Current Maturities of Long Term Borrowings				
Finance Lease Obligations	4,279,009	-	71,418	-
Others				
Payable to group companies, net	315,640,335	257,858,894	5,268,135	4,303,745
Employee related dues	131,034,211	133,986,234	2,187,004	2,236,272
Compensated Absences	-	25,832,951	-	431,160
Statutory dues	14,472,434	22,870,997	241,549	381,724
Creditors for Capital Goods	-	3,877,390	-	64,715
	465,425,989	444,426,466	7,768,106	7,417,616

MEDASSIST HOLDING INC.
Notes to the financial
statements

as at 31 March 2014

10. Fixed Assets

	Tangible Assets				Intangible assets				Total Assets
	Computers	Service equipments	Office furniture and equipment	Leasehold improvements	Total Tangible Assets	Goodwill	Software	Total Intangible	
Gross Block									
Opening balance	149,000,949	188,935,117	47,292,134	19,219,250	404,447,450	46,835,111	270,373,197	317,208,308	721,655,758
Additions during the year	15,351,261	12,858,857	8,732,944	540,482	37,483,544	-	30,385,668	30,385,668	67,869,212
Deletions / transfers during the year	66,804,493	72,120,656	33,596,563	4,568,906	177,090,618		80,030,956	80,030,956	257,121,574
As at 31 March 2014	97,547,717	129,673,318	22,428,515	15,190,826	264,840,376	46,835,111	220,727,909	267,563,020	532,403,396
Accumulated depreciation / amortization									
Opening balance	125,757,949	171,677,390	43,819,409	11,767,092	353,021,840	43,827,129	240,539,351	284,366,480	637,388,320
Charge for the year	12,142,376	8,105,679	2,274,205	2,921,702	25,443,962	3,007,982	15,818,969	18,826,951	44,270,913
Deletions / transfers during the year	66,785,772	72,040,158	33,596,563	4,568,906	176,991,399	-	80,030,948	80,030,948	257,022,347
As at 31 March 2014	71,114,554	107,742,911	12,497,050	10,119,887	201,474,402	46,835,111	176,327,372	223,162,483	424,636,885
Net Block (INR)	26,433,163	21,930,407	9,931,465	5,070,939	63,365,974	0	44,400,537	44,400,537	107,766,511
As at 31 March 2013 (INR)	23,243,000	17,257,728	3,472,725	7,452,158	51,425,611	3,007,982	29,833,845	32,841,828	84,267,439
Net Block (USD)	441,178	366,025	165,759	84,636	1,057,599	-	741,059	741,059	1,798,658
As at 31 March 2013 (USD)	387,933	288,037	57,961	124,379	858,311	50,204	497,936	548,140	1,406,451

VEDASSIST HOLDING INC.
Notes to the accounts

as at 31 March 2014

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
11 Long term loans and advances				
<i>(Unsecured, considered good)</i>				
Deposits	5,801,844	5,139,449	96,835	85,779
Prepaid expenses	1,388,758	177,365	23,179	2,960
	7,190,602	5,316,814	120,014	88,739
12 Trade receivables				
<i>(Unsecured)</i>				
Receivables outstanding for a period exceeding six from the date they are due for payment				
- Considered good	-	-	-	-
- Considered doubtful	20,793,319	42,665,098	347,047	712,094
Less : Provision for bad and doubtful debts	(20,793,319)	(42,665,098)	(347,047)	(712,094)
	-	-	-	-
Other receivables				
- Considered good	928,479,921	1,033,415,538	15,496,620	17,248,027
- Considered doubtful	-	-	-	-
	928,479,921	1,033,415,538	15,496,620	17,248,027
	928,479,921	1,033,415,538	15,496,620	17,248,027
13 Cash and Bank Balances				
Balance with Bank				
in trust accounts	(10,848,982)	6,012,030	(181,073)	100,343
in current accounts	140,492,674	177,243,814	2,344,866	2,958,254
	129,643,692	183,255,844	2,163,793	3,058,597
Less: balance held in trust accounts	(10,848,982)	6,012,030	(181,073)	100,343
	140,492,674	177,243,814	2,344,866	2,958,254
14 Other Current Assets				
Income Tax Receivable	12,187,878	14,149,766	203,419	236,164
Unbilled receivables	612,231,446	503,259,310	10,218,333	8,399,555
Capital Advance	-	659,065	-	11,000
Advance to employees	342,175	-	5,711	-
Prepaid Expenses	19,851,350	27,251,784	331,325	454,841
Balance held in trust account , net of due to client	11,655,711	-	194,537	-
	656,268,560	545,319,925	10,953,325	9,101,560

VEDASSIST HOLDING INC.
Schedules to the financial statements
for the year ended 31 March 2014

	Amount in Rupees		Amount in USD	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
15 Revenue From Operations				
Sale of services	5,815,426,289	6,190,166,899	97,061,275	103,315,812
	5,815,426,289	6,190,166,899	97,061,275	103,315,812
16 Other Income				
Miscellaneous income	-	1,031,844	-	17,222
	-	1,031,844	-	17,222
17 Employee Benefits expense				
Salaries and wages	3,878,206,229	3,905,347,184	64,728,469	65,181,460
Contribution to Provident and Other Funds	14,679,000	12,901,965	244,997	215,338
Staff Welfare Expenses	353,041,700	385,692,901	5,892,374	6,437,335
	4,245,926,929	4,303,942,050	70,865,840	71,834,133
18 Finance Cost				
Interest Expense	498,553,309	519,607,957	8,321,010	8,672,419
	498,553,309	519,607,957	8,321,010	8,672,419
19 Other Expenses				
Rent,	132,144,066	134,670,369	2,205,526	2,247,690
Rates & Taxes	9,980,080	13,394,218	166,571	223,554
Bank Fees	6,839,418	9,883,842	114,152	164,964
Insurance	34,140,743	19,715,053	569,820	329,050
Traveling and Conveyance	90,710,988	105,645,219	1,513,995	1,763,252
Legal and Professional Fees	135,107,047	109,172,127	2,254,979	1,822,117
Marketing and Support Services	24,359,970	31,202,103	406,575	520,773
Communication Expenses	217,169,447	231,979,624	3,624,626	3,871,812
Information Services	128,581,694	105,494,297	2,146,069	1,760,733
Connectivity Charges	81,061,416	89,337,097	1,352,940	1,491,064
Common Corporate Expenses	59,789,883	80,651,365	997,912	1,346,096
Printing and Stationary	31,015,431	36,325,186	517,657	606,279
Miscellaneous Expenses	3,620,293	2,542,977	60,424	42,443
Charitable Contribution	439,590	1,100,039	7,337	18,360
Upkeep and Maintenance - Others	14,327,527	33,737,847	239,131	563,095
Car Hire Charges and Other Hire Charges	11,382,309	11,814,399	189,974	197,186
Software Expenses	4,345,317	6,301,146	72,525	105,168
Computer Expenses	48,211,238	43,917,642	804,661	732,999
Bad Debts / Provision for Doubtful Accounts	(21,871,779)	16,559,483	(365,047)	276,383
Recruitment / Training Expense	46,365,969	31,438,253	773,862	524,714
Electricity, Water and Power Consumption	7,120,260	14,549,434	118,839	242,835
Loss on sale / write off of fixed assets, net	99,227	212,833	1,656	3,552
	1,064,940,134	1,129,644,553	17,774,184	18,854,119

MEDASSIST HOLDING INC.

Notes to the accounts as at 31 March 2014

20. 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 non-cancelable operating leases aggregating to Rs. 23,047,525 equivalent to USD 384,670 (31 March 2013: Rs. 23,488,142 equivalent to USD 392,024) 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 \$	
	2014	2013	2014	2013
Amount due within one year from the balance sheet date	129,592,790	168,782,957	2,162,944	3,109,201
Amount due in the period between one year and five years	442,260,176	145,350,083	7,381,460	2,677,537
	<u>571,852,966</u>	<u>314,133,040</u>	<u>9,544,403</u>	<u>5,786,738</u>

Rental expenses under cancelable operating leases aggregating to Rs. 109,096,541 equivalent to USD 1,820,855 (31 March 2013: Rs. 111,182,226 equivalent to USD 1,855,666) have been debited to the profit and loss account.

21. 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 2014, particularly on the amount of tax expense and that of the provision for taxation.

22. Capital commitments

The Company has capital commitments of Rs 1,552,338 in USD 25,909 (31 March 2013: Rs 7,227,487 in USD 120,629) as at the balance sheet date.

MEDASSIST HOLDING INC.

Notes to the accounts
as at 31 March 2014

23. Supplementary statutory information (accrual basis)

	31 March 2014	31 March 2013
(i). <i>Earnings in foreign exchange</i>		
Income from services	-	65,359
Other income	-	-
(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

24. Contingent liabilities

The Company has no contingent liabilities as at the balance sheet date (31 March 2013: Nil)

25. Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2014 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 2014

25. Related Party Transactions (continued)

Particulars of related party transactions during the year ended 31 March 2014

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)	
		2014	2013	2014	2013	2014	2013	2014	2013
Firstsource Solutions Ltd	Receipt of services	33,971,446	-	566,994	-	(44,942,721)	58,316,228	(750,108)	973,316
	Recovery of expenses	4,550,844	7,013,111	75,955	117,051	2,489,828	26,968,101	41,556	450,106
	Expenses Reimbursement	68,597,223	5,858,788	1,144,909	97,785	(28,571,906)	26,968,101	(476,874)	450,106
RevIT Systems Private Limited	Cost of sales	-	43,587,743	-	727,493	-	-	-	-
Firstsource Group USA Inc.	Dividend paid	-	191,728,000	-	3,200,000	-	-	-	-
	Expenses Reimbursement	666,581,157	944,578,728	11,125,447	15,765,313	(33,693,680)	(89,579,156)	(562,358)	(1,495,104)
	Issue of Shares	-	-	-	-	20,761,663,357	20,761,663,357	346,518,624	346,518,624
Firstsource Advantage LLC	Expenses Reimbursement	90,396,517	70,334,159	1,508,746	1,173,899	14,938,907	6,352,188	249,335	106,020
Firstsource Solutions UK Limited	Expenses Reimbursement	231,452	231,452	3863	3,863	-	(231,452)	-	(3,863)
Firstsource Transaction Services	Expenses Reimbursement	74,157,814	49,089,498	1,237,717	819,319	225,860,737	4,760,067	(3,769,686)	79,447
	Dividend Paid	-	191,728,000	-	3,200,000	-	-	-	-

MEDASSIST HOLDING INC.

Notes to the accounts
as at 31 March 2014

26. 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 31 of the consolidated financial statements)

27. 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 31st March 2014. 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 (refer note 38 of the consolidated financial statements).

28. 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

Praveena Jain

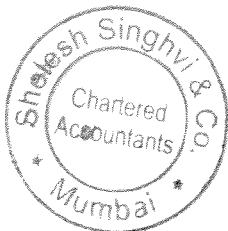
Praveena Jain

Partner

Membership No: 402256

Mumbai

02 May 2014



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra

Director

Mitzi Winters

Director

Venkat Raman

Director