

Firstsource Transaction Services LLC

Financial Statements

for the financial year ended March 31, 2016

Independent Auditors' Report

To the Members of
Firstsource Solutions Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Firstsource Transaction Services LLC ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's responsibility for the standalone financial statements

These financial statements are prepared to comply with the requirements of Sec 136 of the Companies Act, 2013 and are the responsibility of the management. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under. We conducted our audit in accordance with the Standards to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 financial statements.

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SHELESH SINGHVI & Co.

Chartered Accountants

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Independent Auditors' Report (*Continued*)

Auditor's Responsibility (*Continued*)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2016 and its profit and its cash flows for the year ended on that date.

For **Shelesh Singhvi & Co.**
Chartered Accountants
Firm's Registration No: 014792C



Shelesh Singhvi
Partner
M. No: 079817

Mumbai
12th May 2016

Firstsource Transaction Services, LLC
Balance Sheet
as at 31 March 2016

	Note	Amount In Rupees		Amount In USD	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	-	-	-	-
Reserves and Surplus	4	1,388,247,532	1,033,155,029	20,953,101	15,593,617
		1,388,247,532	1,033,155,029	20,953,101	15,593,617
Non-current liabilities					
Long-term borrowings	5	113,826	326,878	1,718	4,934
Long-term provision	6	49,021,366	52,100,134	739,887	786,356
		49,135,192	52,427,012	741,605	791,290
Current liabilities					
Trade payables	7	43,571,806	48,835,622	657,638	737,085
Other current liabilities	8	179,080,706	123,054,894	2,702,901	1,857,293
		222,652,512	171,890,516	3,360,539	2,594,378
		1,660,035,236	1,257,472,557	25,055,245	18,979,285
ASSETS					
Non current assets					
Fixed assets					
Tangible assets	9	99,549,101	90,534,164	1,502,516	1,366,450
Intangible assets		60,491,729	8,481,837	913,014	128,010
		160,040,920	99,016,001	2,415,530	1,494,468
Capital work in progress		4,798,121	-	72,419	-
		164,839,041	99,016,001	2,487,949	1,494,468
Long-term Loans and Advances					
	10	18,327,259	19,864,062	276,617	299,812
		18,327,259	19,864,062	276,617	299,812
Current assets					
Trade receivables	11	804,229,559	817,912,720	12,138,398	12,344,921
Cash and bank balances	12	7,358,744	4,521,294	111,087	68,241
Short term loans and advances	13	660,474,562	312,117,307	9,988,675	4,710,849
Other current assets	14	4,806,071	4,041,173	72,530	60,994
		1,476,868,936	1,138,592,494	22,290,679	17,185,005
		1,660,035,236	1,257,472,557	25,055,245	18,979,285

Significant accounting policies

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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

Shelesh Singhvi
Partner
M. No: 079817
Mumbai

Date: 12/5/16

For and on behalf of the Board of Directors

K N Venkataraman *Arjun Mitra*

Venkat Raman
Director

Arjun Mitra
Director

Firstsource Transaction Services, LLC
Statement of profit and loss
as at 31 March 2016

	Note	Amount In Rupees		Amount In USD	
		31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2015
Income					
Revenue from Operations	15	6,153,739,819	4,703,726,077	92,879,629	70,994,281
Other Income		59,298	-	885	-
		6,153,799,117	4,703,726,077	92,880,524	70,994,281
Expenses					
Cost of Sales		931,570,278	891,675,717	14,060,377	13,458,240
Employee benefits expense	16	4,022,735,003	2,958,999,998	60,716,946	44,660,780
Finance Cost	17	1,870,180	03,741	28,227	962
Depreciation and amortization	9	52,268,083	29,515,201	788,891	445,479
Other expenses	18	790,263,070	553,685,432	11,927,599	8,356,885
		5,798,706,614	4,433,940,089	87,521,040	66,922,346
Profit Before Taxation		355,092,503	269,785,988	5,359,484	4,071,935
Provision for Tax		-	-	-	-
-Current tax		-	-	-	-
-Deferred tax		-	-	-	-
Profit After Taxation		355,092,503	269,785,988	5,359,484	4,071,935


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


Shelesh Singhvi
Partner
M. No: 079817

For and on behalf of the Board of Directors


Venkat Raman
Director


Arjun Mitra
Director

Mumbai
Date : 12/5/16

Firstsource Transaction Services, LLC
Cash flow statement
for the year ended 31 March 2016

	Amount In Rupees		Amount in USD	
	2016	2015	2016	2015
Cash flow from operating activities				
Net profit before tax	355,092,503	269,785,088	5,359,484	4,071,035
Adjustments for				
Depreciation and amortization	52,288,083	29,515,201	788,891	445,479
Foreign exchange (gain)/loss net	50,884	-	768	-
Interest costs	1,870,180	-	28,227	-
Operating cash flow before changes in working capital	409,281,850	299,301,189	6,177,370	4,617,414
Changes in working capital				
(Increase)/Decrease in Trade receivables	13,683,160	(213,890,080)	208,823	(3,228,286)
(Increase)/Decrease in other current assets	(347,585,389)	(132,876,109)	(5,248,176)	(2,005,528)
Increase/(Decrease) in liabilities and provisions	47,683,182	37,506,115	719,692	568,087
Net changes in working capital	(286,219,047)	(309,280,074)	(4,310,961)	(4,667,725)
Net cash used in operating activities (A)	123,062,603	(9,978,885)	1,867,409	(150,311)
Cash flow from investing activities				
Capital expenditure	(118,141,921)	(59,125,115)	(1,783,140)	(892,307)
Net cash generated from investing activities (B)	(118,141,921)	(59,125,115)	(1,783,140)	(892,307)
Cash flow from financing activities				
Payment of secured loan	(213,052)	(409,884)	(3,216)	(7,089)
Interest paid	(1,870,180)	-	(28,227)	-
Net cash used in financing activities (C)	(2,083,232)	(409,884)	(31,443)	(7,089)
Net increase in cash and cash equivalents (A+B+C)	2,837,450	(69,553,083)	42,826	(1,049,787)
Cash and cash equivalents at the beginning of the year*	4,521,294	74,074,957	68,241	1,110,028
Cash and cash equivalents at the end of the year*	7,358,744	4,521,294	111,067	80,241

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


As per our report of even date attached.

For SHELESH SINGHVI & CO.
Chartered Accountants
Firm's Registration No: 014702C

Shelesh Singhvi
Partner
M. No: 079817

Mumbai
Date: 12/5/16

For and on behalf of the Board of Directors


Venkat Raman
Director


Arjun Mitra
Director

Firstsource Transaction Services LLC

Notes to the accounts

for the year ended at 31 March 2016

1 Background

Firstsource Transaction Services LLC ('the Company') was incorporated under the laws of the State of Delaware on 26 May 2011. The Company provides contact centre and transaction processing services for customers in the financial services, telecommunications and healthcare industry. The Company is a wholly owned subsidiary of MedAssist Holding, Inc. who holds the voting rights in the Company.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of 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 State Dollars ('USD'). However, for the purpose of compliance with the requirements of Section 129 (3) of the Companies Act 2013, amounts in these financial statements have been translated into Indian rupees at the closing rate on 31 March 2016 which is 1 USD = Rs 66.255 (31st Mar 2015 which was 1 USD = Rs. 62.5). 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 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 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.

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

Firstsource Transaction Services LLC

Notes to the accounts

for the year ended at 31 March 2016

2 Significant accounting policies (Continued)

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*	2 - 4
<i>Tangible</i>	
Leasehold improvements*	5 or Lease term which ever is shorter
Computers*	2 - 4
Furniture & Fixtures*	2 - 5
Networks/Service Equipments*	2 - 5
Vehicles*	2 - 5
Office Equipments*	2 - 5

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external values, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013

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

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 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.

Firstsource Transaction Services LLC

Notes to the accounts

for the year ended at 31 March 2016

2 Significant accounting policies (*Continued*)

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 i.e. 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 recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.9 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 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.

Firstsource Transaction Services LLC

Notes to the accounts

as at 31 March 2016

2. Significant accounting policies (Continued)

2.10 Investments (Continued)

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

2.11 Employee benefits

Defined Contribution Plans

The Companies having a savings and investment plan under section 401 (K) of the internal revenue code of the United States of America. This is a Defined Contribution plan. Contribution made under the plan are charged to the statement of Profit and loss in the period in which that accrue. Other retirement benefits are accrued based on the amounts payable as per local regulations.

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

Other long term employee benefits

Compensated absences

Provision for compensated absences cost has been made based on eligible vacation balances at balance sheet date.

Where employees of the Company are entitled to compensated absences, the employees can carry-forward a portion of the unutilized accrued compensated absence and utilise it in future periods or receive cash compensation at termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement.

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated as at the balance sheet date.

2.11 Earnings per share

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

Firstsource Transaction Services, LLC

Notes to the accounts
as at 31 March 2016

	Amount in Rupees		Amount in USD	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
3 Share Capital				
Issued, Subscribed and paid up :	-	-	-	-
A. Details of voting rights holding more than 5% In the Company			31 March 2016	31 March 2015
Medassist Holding Inc			% of Holding	% of Holding
			100	100
4 Reserves and Surplus				
Balance at the beginning of the year	1,033,155,029	763,369,041	15,593,617	11,521,682
Add : Profit for the year	355,092,503	269,785,988	5,359,484	4,071,935
	1,388,247,532	1,033,155,029	20,953,101	15,593,617
5 Long term borrowings (Secured)				
Loan from Non banking financials institution (This loan carries interest at the rate of 6.90% upto July 2017, repayable in monthly installments from the date of its origination. This is secured by way of hypothecation of underlying fixed assets taken)	113,826	326,878	1,718	4,934
	113,826	326,878	1,718	4,934
6 Long Term Provisions				
Compensated Absenses	49,021,366	52,100,134	739,887	786,356
	49,021,366	52,100,134	739,887	786,356
7 Trade payables				
Trade payables for Expenses & Services	43,571,806	48,835,622	657,638	737,085
	43,571,806	48,835,622	657,638	737,085
8 Other current liabilities				
Current maturities of long term borrowings				
Loan from Non banking financials institution	370,034	439,707	5,585	6,637
Others				
Employee Related Dues	162,282,347	112,646,078	2,449,360	1,700,190
Advance from Customers	-	1,007,142	-	15,201
Statutory dues	16,428,325	8,961,967	247,956	135,265
	179,080,706	123,054,894	2,702,901	1,857,293

Firstsource Transaction Services, LLC

Notes to the accounts
as at 31 March 2016

9. Fixed Assets

(Currency: Indian rupees)

	Tangible Assets						Intangible assets			Grand Total
	Computers	Network	Vehicles	Office furniture and Fixture	Office equipment	Leasehold improvements	Total Tangible assets	Software	Total Intangible assets	
Gross Block										
As on 1st April 2015 (INR)	233,207,363	38,691,525	5,670,342	163,768,366	23,607,636	82,035,970	546,981,202	198,144,265	198,144,265	745,125,467
Additions during the year	12,184,122	9,377,318	-	9,374,098	11,218,026	5,384,279	47,537,843	65,755,180	65,755,180	113,293,023
Deletions during the year	11,375,379	4,315,276	-	2,497,454	150,272	-	18,338,381	47,557	47,557	18,385,938
As at 31 March 2016 (INR)	234,016,106	43,753,567	5,670,342	170,645,010	34,675,390	87,420,249	576,180,664	263,851,888	263,851,888	840,032,552
Accumulated depreciation / amortization										
As on 1st April 2015 (INR)	212,160,509	16,625,945	3,665,605	143,855,532	9,548,557	70,590,890	456,447,038	189,662,428	189,662,428	646,109,466
Charge for the year	10,827,541	11,609,088	781,305	6,097,196	5,909,690	3,297,976	38,522,796	13,745,287	13,745,287	52,268,083
On deletions during the year	11,375,379	4,315,256	-	2,497,454	150,272	-	18,338,361	47,557	47,557	18,385,918
As at 31 March 2016 (INR)	211,612,671	23,919,777	4,446,910	147,455,274	15,307,975	73,888,866	476,631,473	203,360,158	203,360,158	679,991,631
Net Block										
As at 31 March 2016	22,403,435	19,833,790	1,223,432	23,189,736	19,367,415	13,531,383	99,549,191	60,491,729	60,491,729	160,040,920
As at 31 March 2015	21,046,854	22,065,580	2,004,737	19,912,834	14,059,079	11,445,080	90,534,164	8,481,837	8,481,837	99,016,001
Net Block (USD)										
As at 31 March 2016	338,140	299,355	18,466	350,007	292,316	204,232	1,502,516	913,014	913,014	2,415,530
As at 31 March 2015	317,664	333,040	30,258	300,548	212,197	172,743	1,366,450	128,018	128,018	1,494,468

Firstsource Transaction Services, LLC

Notes to the accounts
as at 31 March 2016

	Amount in Rupees		Amount in USD	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
10 Long term Loans and Advances (Unsecured, considered good)				
Deposits	15,390,241	15,522,306	232,288	234,281
Prepaid expenses	2,937,018	4,341,756	44,329	65,531
	18,327,259	19,864,062	276,617	299,812
11 Trade receivables (Unsecured & Considered Good)				
Debts outstanding for a period exceeding six months - considered doubtful	10,766,438	1,304,601	162,500	19,691
Less: Provision for doubtful debts	(10,766,438)	(1,304,601)	(162,500)	(19,691)
	-	-	-	-
Others debts - considered good	804,229,559	817,912,720	12,138,398	12,344,921
	804,229,559	817,912,720	12,138,398	12,344,921
	804,229,559	817,912,720	12,138,398	12,344,921
12 Cash and bank balances				
Cash in hand	-	-	-	-
Balances with banks - in current accounts	7,358,744	4,521,294	111,067	68,241
	7,358,744	4,521,294	111,067	68,241
13 Short Term Loans and Advances (Unsecured, Considered good)				
Related party Receivable from group companies, net	625,065,041	287,468,881	9,434,232	4,338,825
Others Prepaid expenses	35,409,521	24,648,426	534,443	372,024
	660,474,562	312,117,307	9,968,675	4,710,849
14 Other current assets (Unsecured, Considered good, unless otherwise stated)				
Unbilled Revenue	4,806,071	4,041,173	72,539	60,994
	4,806,071	4,041,173	72,539	60,994

Firstsource Transaction Services, LLC
Notes to the accounts

as at 31 March 2016

	Amount in Rupees		Amount in USD	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
15 Revenue from Operations				
Sale of services	6,153,739,819	4,703,726,077	92,879,629	70,994,281
	6,153,739,819	4,703,726,077	92,879,629	70,994,281
16 Employee benefits expense				
Salaries and wages	3,674,846,959	2,633,889,756	55,465,202	39,753,826
Contribution to statutory funds	17,857,578	12,042,137	269,528	181,754
Staff welfare expenses	330,030,466	313,068,105	4,981,216	4,725,200
	4,022,735,003	2,958,999,998	60,715,946	44,660,780
17 Finance charges				
Interest on loan	1,870,180	63,741	28,227	962
	1,870,180	63,741	28,227	962
18 Other expenses				
Rent	125,694,944	96,556,561	1,897,139	1,457,348
Rates and taxes	638,963	562,870	9,644	8,496
Bank administration charges	1,045,106	956,631	15,774	14,439
Insurance	36,574,549	27,937,831	552,027	421,671
Travelling and conveyance	41,403,081	52,020,533	624,905	785,156
Electricity, water and power consumption	27,550,154	16,991,254	415,820	256,452
Legal and professional fees	63,043,355	31,921,679	951,526	481,800
Outsource Cost	31,301,446	10,803,586	472,439	163,061
Marketing and support services	8,935,083	8,246,072	134,859	124,460
Communication expenses	80,984,215	48,203,184	1,222,311	727,540
Books & Periodicals, Membership fees	998,529	120,518	15,071	1,819
Computer expenses	57,183,829	59,511,050	863,087	898,212
Recruitment expenses/training expenses	18,463,281	16,634,006	278,670	251,060
Printing and stationery	41,178,145	60,322,813	621,510	910,464
Registration fees	44,722	-	675	-
Miscellaneous expenses	4,572	5,750	69	87
Charitable contribution	-	1,391,355	-	21,000
Exchange (Gain) / Loss	49,161	24,425	742	369
Car hire and other hire charges	132,445,136	53,990,679	1,999,021	814,892
Repairs and maintenance - others	68,810,522	26,249,863	1,038,571	396,194
(Gain)/Loss on sale of Fixed assets	50,884	-	768	-
Common corporate costs	44,401,583	39,930,171	670,162	602,674
Provision For Doubtful	9,461,810	1,304,601	142,809	19,691
	790,263,070	553,685,432	11,927,599	8,356,885

Firstsource Transaction Services LLC

Notes to the accounts as at 31 March 2016

18. Leases

Operating Lease

The Company has taken office facilities under non-cancelable operating leases. The Company intends to renew such leases in the normal course of its business. Rental expenses under non-cancelable operating leases aggregating to Rs.64,697,700 equivalent to USD 976,495 (31 March 2015: Rs.89,761,015 equivalent to USD 1,354,781) 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 USD	
	2016	2015	2016	2015
Amount due within one year from the balance sheet date	36,867,043	95,137,277	556,442	1,435,926
Amount due in the period between one year and five years	10,726,649	117,781,116	161,899	1,777,694
	<u>47,593,692</u>	<u>212,918,393</u>	<u>718,341</u>	<u>3,213,620</u>

Rental expenses under cancelable operating leases aggregating to Rs.155,036,076 equivalent to USD 2,33,9991 (31 March 2015: Rs. 6,795,480 equivalent to USD 102,566) have been debited to the profit and loss account.

19. 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 2016, particularly on the amount of tax expense and that of the provision for taxation.

20. Capital commitments

The Company has capital commitments of Rs.90,369,368 in USD 1,363,963 (31 March 2015: Rs. 3,636,935 in USD 54,893) as at the balance sheet date.

Firstsource Transaction Services LLC

Notes to the accounts
as at 31 March 2016

23. EPS

As the company is incorporated under the laws of the State of Delaware, USA . As per Country's laws, company is having voting control & there is no share capital. Earning per share is not calculated in the absence of share capital.

24. Contingent liabilities

The Company has no contingent liabilities as at the balance sheet date Nil (31 March 2015: Nil).

25. Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2016 are summarized below:

Ultimate Holding Company	• Firstsource Solutions Ltd
Holding Company	• MedAssist Holding, LLC
Parties with substantial interests	• Firstsource Group USA Inc.
	• Firstsource Advantage LLC
	• Firstsource Solution UK Limited
	• Firstsource Process Management Services Limited (earlier known as Anunta Tech Infrastructure Services Limited)
	• Firstsource BPO Ireland Limited
	• Firstsource Dialog Solutions (Private) Limited
	• Firstsource Business Process Services LLC
	• Firstsource Solutions S.A.
	• Firstsource Solutions USA LLC
	• One Advantage LLC
Directors	• Venkat Raman
	• Arjun Mitra

Firstsource Transaction Services LLC

Notes to the accounts
as at 31 March 2016

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 no.30 of the consolidated financial statements).

27. The Company is a foreign company and is not governed by the provisions of Micro, Small and Medium Scale Development Act, 2006 Hence disclosure under the act are not applicable.

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

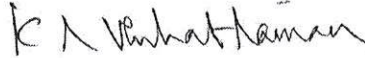
As per our report of even date attached

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

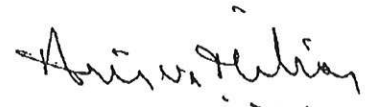


Shelesh Singhvi
Partner
M. No. 079817
Mumbai
Date: 12/5/16

For and on behalf of the Board of Directors



Venkat Raman
Director



Arjun Mitra
Director