

Firstsource Process Management Services Limited

(Formerly known as Anunta Tech Infrastructure Services Limited)

Financial Statements

for the financial year ended March 31, 2016

Independent Auditors' Report

To the Members of Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited')

Report on the financial statements

We have audited the accompanying financial statements of Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited') ("the Company"), which comprise of the balance sheet as at 31 March 2016, the statement of profit and loss and 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 financial statements").

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Independent Auditors' Report (Continued)
Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Auditor's Responsibility (Continued)

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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss, the and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

Independent Auditors' Report (Continued)
Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations that have an impact on the financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

5d.1

Rajesh Mehra
Partner
Membership No: 103145

Kolkata
12 May 2016

Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited')

Annexure – A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report the following:

1. The Company does not hold any fixed assets. Accordingly, paragraph 3(i) of the Order is not applicable to the Company.
2. The Company is in the business of rendering services, and consequently, does not hold any inventory. The Company has not carried out any business activity in the current year. Therefore, paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, paragraph 3(iii) of the said Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records Section 148(1) of the Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, service tax, value added tax, duty of customs, sales tax, and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax and service tax that have not been deposited by the Company on account of dispute.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debentureholders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Annexure – A to the Independent Auditors' Report (Continued)

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not appointed any managerial personnel under Section 196 of the Act. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, there were no transactions with related parties during the year. Accordingly, paragraph 3(xiii) of the Order is not applicable.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-

Rajesh Mehra
Partner

Membership No: 103145

Kolkata
12 May 2016

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Annexure – B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Firstsource Process Management Services Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Annexure – B to the Independent Auditors' Report (Continued)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Rajesh Mehra
Partner

Membership No: 103145

Kolkata
12 May 2016

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Financial statements together with the Independent Auditors' Report

as at and for the year ended 31 March 2016

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Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Balance sheet

as at 31 March 2016

(Currency: In Indian rupees)

	Note	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	10,500,000	10,500,000
Reserves and surplus	4	19,665,026	18,608,270
		<u>30,165,026</u>	<u>29,108,270</u>
Current liabilities			
Trade payables	5	-	-
- Total outstanding dues of micro and small enterprises		-	6,292
- Total outstanding dues of creditors other than micro and small enterprises		-	689,187
Other current liabilities	6	398,609	695,479
		<u>398,609</u>	<u>695,479</u>
TOTAL		<u><u>30,563,635</u></u>	<u><u>29,803,749</u></u>
ASSETS			
Non-current assets			
Fixed assets	7	-	-
Long-term loans and advances	8	810,745	1,175,291
Current assets			
Current investments	9	27,500,000	27,000,000
Cash and bank balances	10	2,252,890	1,628,458
		<u>29,752,890</u>	<u>28,628,458</u>
TOTAL		<u><u>30,563,635</u></u>	<u><u>29,803,749</u></u>
Significant accounting policies	2		

The accompanying notes from 1 to 16 are an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-
Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the Board of Directors of
Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited')

Sd/-
Rajesh Subramaniam
Director
Sd/-
Shalabh Jain
Director

Sd/-
Dinesh Jain
Director
Sd/-
Badrinath Bharadwaj
Director

Sd/-
Sweta Shah
Company Secretary

Kolkata
12 May 2016

Kolkata
12 May 2016

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Statement of profit and loss
for the year ended 31 March 2016

(Currency: In Indian rupees)

	<i>Note</i>	31 March 2016	31 March 2015
Income			
Revenue from operations	11	2,286,012	745,274
Other income		-	-
Total income		<u>2,286,012</u>	<u>745,274</u>
Expenses			
Depreciation and amortization		-	78,595
Other expenses	12	980,488	793,994
Total expense		<u>980,488</u>	<u>872,589</u>
Profit / (loss) before taxation		1,305,524	(127,315)
Less : Provision for taxation		391,970	-
Less: Provision for MAT credit receivable		-	1,380,719
Add: Provision for MAT credit receivable written back		(143,202)	-
Profit / (loss) after taxation		<u>1,056,756</u>	<u>(15,08,034)</u>
Earnings per share			
Weighted average number of equity shares outstanding during the year		1,050,000	1,050,000
Earnings per share (Rs)			
- Basic and diluted		1.01	(1.44)
Nominal value per share (Rs)		10	10
Significant accounting policies	2		

The accompanying notes from 1 to 15 are an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-
Rajesh Mehra
Partner
Membership No: 103145

Sd/-
Rajesh Subramaniam
Director

Sd/-
Dinesh Jain
Director

Sd/-
Shalabh Jain
Director

Sd/-
Badrinath Bharadwaj
Director

Sd/-
Sweta Shah
Company Secretary

Kolkata
12 May 2016

Kolkata
12 May 2016

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Cash flow statement

for the year ended 31 March 2016

(Currency: In Indian rupees)

	31 March 2016	31 March 2015
<u>Cash flow from operating activities</u>		
Profit / (loss) before tax	1,305,524	(127,315)
Adjustments for		
Depreciation and amortisation	-	78,595
Profit on sale of investments, net	(2,286,012)	(685,217)
Interest income	-	(60,057)
	<hr/>	<hr/>
Operating cash flow before changes in working capital	(980,488)	(793,994)
Changes in working capital		
Decrease in loans and advances and other current assets	229,086	845,096
(Decrease) / Increase in trade payables, provisions and other current liabilities	(688,839)	678,727
	<hr/>	<hr/>
Net changes in working capital	(459,753)	1,523,823
Income tax refund	278,660	-
	<hr/>	<hr/>
Net cash (used in) / generated from operating activities (A)	(1,161,581)	729,829
<u>Cash flow from investing activities</u>		
Purchase of investment in mutual funds	(274,000,000)	(81,000,000)
Sale of investment in mutual funds	275,786,013	80,685,216
Interest received	-	60,057
	<hr/>	<hr/>
Net cash generated from / (used in) investing activities (B)	1,786,013	(254,727)
<u>Cash flow from financing activities</u>		
	-	-
	<hr/>	<hr/>
Net cash generated from / (used in) financing activities (C)	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents (A+B+C)	624,432	475,102
Cash and cash equivalents at the beginning of the year	1,628,458	1,153,356
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,252,890	1,628,458
	<hr/> <hr/>	<hr/> <hr/>

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Cash flow statement (Continued)
for the year ended 31 March 2016

(Currency: In Indian rupees)

Notes to the cash flow statement

1. Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

	31 March 2016	31 March 2015
Balances with banks	2,252,890	1,628,458
- in current accounts	2,252,890	1,628,458

2. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard – 3.

As per our report of even date attached.

For **BSR & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-
Rajesh Mehra
Partner
Membership No: 103145

Sd/-
Rajesh Subramaniam
Director

Sd/-
Dinesh Jain
Director

Sd/-
Shalabh Jain
Director

Sd/-
Badrinath Bharadwaj
Director

Sd/-
Sweta Shah
Company Secretary

Kolkata
12 May 2016

Kolkata
12 May 2016

Firstsource Process Management Services Limited

Notes to the financial statements

for the year ended 31 March 2016

1 Background

Firstsource Process Management Services Limited ('FPMSL' or 'the Company'), formerly known as Anunta Tech Infrastructure Services Limited, was incorporated on 1 November 2010 as a 100% subsidiary of Firstsource Solutions Limited ('holding company'). The Company is engaged in the business of providing and facilitating range of Information Technology (IT) and IT enabled services, delivering technology-driven business solutions and other value added services related to IT. The Company commenced its business with effect from 31 December 2010. The Company has changed its name from Anunta Tech Infrastructure Services Limited to Firstsource Process Management Services Limited with effective from 30 December 2015.

The Company has not carried out any business activity during the year and in the previous year.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements of Firstsource Process Management Services Limited, are prepared on accrual basis in accordance with Indian Generally Accepted Accounting Principles (GAAP), under the historical cost convention, and Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees except per share data.

In the opinion of the management, all the adjustments which are necessary for a fair presentation have been included. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (12 months) and other criteria set out under the Act.

2.2 Use of estimates

The preparation of the 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 disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods.

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2016

(Currency: In Indian rupees)

2 Significant accounting policies (*Continued*)

2.3 Revenue recognition

Revenue from providing Information Technology Enabled Services (ITES) is recognised on accrual basis upon completion of the related services and is billable in accordance with the specific terms of the arrangement / acceptance of work.

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

2.4 Investments

Non-current investments are carried at cost and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are valued at the lower of cost and market value.

2.5 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the fixed assets. Software are amortised over the best estimate of the useful life from the date the assets are available for use. Depreciation on fixed assets is provided pro rata to the period of use based on management's best estimate of useful lives of the assets as summarized below:

Asset category	Useful life (in years)
Tangible assets	
Furniture, fixture and office equipment*	3 - 5
Intangible assets	
Software*	3 - 4
*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers for holding company and its subsidiaries, 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 are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013	

2.6 Impairment of assets

In accordance with AS 28 'Impairment of Assets' the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus where applicable.

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2016

(Currency: In Indian rupees)

2 Significant accounting policies (*Continued*)

2.7 Leases

Operating lease

Lease rentals in respect of assets acquired under operating lease are charged off to the statement of profit and loss as incurred on a straight line basis.

2.8 Taxation

Income tax expense comprises current tax expense and deferred tax charge or credit.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. In case of matter under appeal, full provision is made in the financial statements when the Company accepts liability.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

2.9 Earnings per share

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

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2016

(Currency: In Indian rupees)

2 Significant accounting policies (*Continued*)

2.10 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.11 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 year is recognised in the statement of profit and loss for the year. Foreign currency denominated assets and liabilities other than fixed assets are translated at the year end exchange rates and the resulting net gain or loss is recognised in the statement of profit and loss.

2.12 Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

Firstsource Process Management Services Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: In Indian rupees)

31 March 2016 31 March 2015

3 Share capital

Authorised

1,500,000 (31 March 2015: 1,500,000) equity shares of Rs 10 each	15,000,000	15,000,000
	15,000,000	15,000,000

Issued, subscribed and paid-up

1,050,000 (31 March 2015: 1,050,000) equity shares of Rs 10 each, fully paid up	10,500,000	10,500,000
	10,500,000	10,500,000

a. Reconciliation of shares outstanding at the beginning and at the end of the year

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	1,050,000	10,500,000	1,050,000	10,500,000
At the end of the year	1,050,000	10,500,000	1,050,000	10,500,000

b. Particulars of shareholders holding more than 5% equity shares

	31 March 2016		31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Firstsource Solutions Limited, holding company, and its nominees	1,050,000	100	1,050,000	100

c. Shares held by holding company

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Firstsource Solutions Limited, holding company, and its nominees	1,050,000	10,500,000	1,050,000	10,500,000

c. Rights, preferences and restrictions attached to equity shares

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

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

as at 31 March 2016

(Currency: In Indian rupees)

	31 March 2016	31 March 2015
4 Reserves and surplus		
Securities premium reserve		
At the commencement of the year	90,000,000	90,000,000
At the end of the year	<u>90,000,000</u>	<u>90,000,000</u>
Balance in statement of profit and loss		
At the commencement of the year	(71,391,730)	(69,883,696)
Add: Net profit / (loss) for the year	<u>1,056,756</u>	<u>(1,508,034)</u>
At the end of the year	<u>(70,334,974)</u>	<u>(71,391,730)</u>
Total reserves and surplus	<u><u>19,665,026</u></u>	<u><u>18,608,270</u></u>
5 Trade payables		
Trade payables for services and goods		
- Total outstanding dues of micro and small enterprises (refer Note 15)	-	-
- Total outstanding dues of creditors other than micro and small enterprises	-	6,292
	<u>-</u>	<u>6,292</u>
	<u><u>-</u></u>	<u><u>6,292</u></u>
6 Other current liabilities		
Other liabilities - payables towards legal and professional fees	398,609	689,187
	<u>398,609</u>	<u>689,187</u>
	<u><u>398,609</u></u>	<u><u>689,187</u></u>

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

as at 31 March 2016

(Currency: In Indian rupees)

7 Fixed assets

	Tangible Furniture, fixtures and office equipment	Intangible Software	Total
Gross block (at cost)			
As at 1 April 2014	-	375,000	375,000
Additions during the year	-	-	-
As at 31 March 2015	-	375,000	375,000
Accumulated depreciation / amortisation			
As at 1 April 2014	-	296,405	296,405
Charge for the year	-	78,595	78,595
As at 31 March 2015	-	375,000	375,000
Net block as at 31 March 2015	-	-	-
As at 31 March 2014	-	-	78,595

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

as at 31 March 2016

(Currency: In Indian rupees)

Firstsource Process Management Services Limited

Notes to the financial statements (*Continued*)

as at 31 March 2016

(Currency: In Indian rupees)

7	Long-term loans and advances	31 March 2016	31 March 2015
	<i>(Unsecured, considered good)</i>		
	Tax deducted at source recoverable (net of provision for tax Rs 391,969 (31 March 2015: Nil))	573,244	1,100,673
	Service tax receivable	237,501	74,618
	Minimum Alternate Tax (MAT) credit receivable	1,237,517	1,380,719
	Less: Provision	(1,237,517)	(1,380,719)
		810,745	1,175,291
		<hr/> <hr/>	<hr/> <hr/>
8	Current investments		
	(at lower of cost and fair value)		
	Non-trade (Unquoted)		
	139,845 units of DHFL Pramerica Insta Cash Plus Fund – Institutional Plan – Growth (31 March 2015: 148,665 units of DWS Insta Cash)	27,500,000	27,000,000
		27,500,000	27,000,000
		<hr/> <hr/>	<hr/> <hr/>
	(Net assets value of unquoted investments is Rs 27,531,843 (31 March 2015: Rs 27,014,346))		
9	Cash and bank balances		
	Balances with banks		
	- in current accounts	2,252,890	1,628,458
		2,252,890	1,628,458
		<hr/> <hr/>	<hr/> <hr/>

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: In Indian rupees)

	31 March 2016	31 March 2015
10 Other income		
Interest income	-	60,057
Profit on sale / redemption of current investments, net	2,286,012	685,217
	<u>2,286,012</u>	<u>745,274</u>
	<u><u>2,286,012</u></u>	<u><u>745,274</u></u>
 11 Other expenses		
Legal and professional fees	880,453	693,882
Payment to auditors		
- Statutory audit	100,000	100,000
- Reimbursement of expenses	-	-
Bank administration charges	35	112
	<u>980,488</u>	<u>793,994</u>
	<u><u>980,488</u></u>	<u><u>793,994</u></u>

Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited')

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: In Indian rupees)

12 Segmental reporting

The Company has only one reportable Segment which is IT and IT enabled services, and has not undertaken any business activity in the current year and in the previous year. Further, the entire operations are within India and hence, there is no separate geographic segment.

13 Related party transactions

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

a. Names of related parties and description of relationships:

Ultimate Holding Company	<ul style="list-style-type: none"> • CESC Limited
Holding company	<ul style="list-style-type: none"> • Firstsource Solutions Limited
Fellow subsidiaries	<ul style="list-style-type: none"> • Firstsource Group USA, Inc. (FG US) • Firstsource Solutions UK Limited (FSL-UK) • Firstsource Solutions S.A. (FSL-Arg) • Firstsource Business Process Services, LLC (FBPS) • Firstsource Advantage LLC (FAL) • Firstsource Solutions USA LLC (earlier known as MedAssist LLC) • Firstsource Transaction Services LLC (FTS) • Firstsource BPO Ireland Limited (FSL Ireland) • One Advantage LLC (OAL) • Medassist Holding LLC (Medassist) • Firstsource Dialog Solutions (Private) Limited (FDS)
Enterprise with common Directors	<ul style="list-style-type: none"> • Nanobi Data and Analytics Private Limited (Nanobi)

b. There were no related party transactions during the year.

14 Computation of number of shares for calculating diluted earnings per share

	31 March 2016	31 March 2015
Number of shares considered as basic weighted average shares outstanding	10,500,000	10,500,000
Add: Effect of potential issue of shares/stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	10,500,000	10,500,000
Net profit after tax attributable to shareholders	1,056,756	(15,08,034)
Net profit after tax for diluted earnings per share	1,056,756	(15,08,034)

Firstsource Process Management Services Limited
(formerly known as 'Anunta Tech Infrastructure Services Limited')

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: In Indian rupees)

16 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which came into force from 2 October 2006, and on the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small enterprises:

Particulars	31 March 2016	31 March 2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	-
- Interest	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248WW-100022

Sd/-
Rajesh Mehra
Partner
Membership No: 103145

For and on behalf of the Board of Directors of
Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited')

Sd/-
Rajesh Subramaniam
Director

Sd/-
Dinesh Jain
Director

Sd/-
Shalabh Jain
Director

Sd/-
Badrinath Bharadwaj
Director

Sd/-
Sweta Shah
Company Secretary

Kolkata
12 May 2016

Kolkata
12 May 2016