

**Firstsource Business Process Services LLC**

Financial statements  
together with the Independent Auditors' Report  
for the year ended 31 March 2017

# **Firstsource Business Process Services LLC**

## **Financial statements together with the Independent Auditors' Report** *for the year ended 31 March 2017*

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**Independent Auditor's Report**

To the Members of  
Firstsource Solutions Ltd.

**Report on the standalone financial statements**

We have audited the accompanying standalone financial statements of Firstsource Business Process Services LLC ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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**

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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS.) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

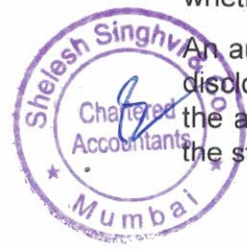
**Auditor's responsibility**

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 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 standalone financial statements are free from material misstatement.

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



## Independent Auditors' Report (Continued)

### Auditor's responsibility (Continued)

assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us 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 including the Ind AS, of the financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year then ended.

Mumbai  
5 May 2017

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



  
**Shelesh Singhvi**  
Partner  
Membership No: 079817



# Firstsource Business Process Services LLC

## Balance sheet

as at 31 March 2017

	Note	Amount in USD		
		31 March 2017	31 March 2016	1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Financial assets</b>				
Investments	4	38,296,362	38,296,362	38,296,362
Deferred tax assets (net)	5	1,456,072	1,456,072	1,456,072
<b>Total non-current assets</b>		<b>39,752,434</b>	<b>39,752,434</b>	<b>39,752,434</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6	21,482	19,372	21,219
<b>Total current assets</b>		<b>21,482</b>	<b>19,372</b>	<b>21,219</b>
<b>Total assets</b>		<b>39,773,916</b>	<b>39,771,806</b>	<b>39,773,653</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	7	-	-	-
Other equity		22,161,234	22,162,048	22,163,895
<b>Total equity</b>	7B	<b>22,161,234</b>	<b>22,162,048</b>	<b>22,163,895</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Other liabilities	8	17,612,682	17,609,758	17,609,758
<b>Total current liabilities</b>		<b>17,612,682</b>	<b>17,609,758</b>	<b>17,609,758</b>
<b>Total equity and liabilities</b>		<b>39,773,916</b>	<b>39,771,806</b>	<b>39,773,653</b>
<b>Significant accounting policies</b>	2			

The accompanying notes from 1 to 14 are an integral part of these financial statements.

As per our report of even date attached.

For **SHELESH SINGHVI & CO.**

Chartered Accountants

Firm's Registration No: 014792C

Shelesh Singhvi

Partner

Membership No: 079817

Mumbai

May 5, 2017



For and on behalf of the Board of Directors of

Arjun Mitra  
Director

Venkat Raman  
Director

# Firstsource Business Process Services LLC

## Statement of profit and loss

for the year ended 31 March 2017

	Note	Amount in USD	
		Year ended 31 March 2017	31 March 2016
<b>INCOME</b>			
Revenue from operations		-	-
<b>Total income</b>		-	-
<b>EXPENSES</b>			
Other expenses	9	814	1,847
<b>Total expenses</b>		814	1,847
<b>Profit before taxation</b>		(814)	(1,847)
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		(814)	(1,847)
<b>Other comprehensive income</b>		-	-
<b>Total other comprehensive income for the year</b>		(814)	(1,847)

### Significant accounting policies

2

The accompanying notes from 1 to 14 are an integral part of these financial statements.  
As per our report of even date attached.

For **SHELESH SINGHVI & CO.**

Chartered Accountants

Firm's Registration No: 014792C

**Shelesh Singhvi**  
Partner  
Membership No: 079817  
Mumbai  
May 5, 2017



For and on behalf of the Board of Directors

**Arjun Mitra**  
Director

**Venkat Raman**  
Director



# Firstsource Business Process Services LLC

## Statement of changes in equity

for the year ended 31 March 2017

### Equity share capital and other equity

Particulars	Equity share capital	Attributable to owners of the Company		Total
		Reserve and surplus		
		Securities premium	Retained earnings	
Balance as at 1 April 2016	-	14,863,647	7,298,401	22,162,048
Profit for the period			(814)	(814)
<b>Balance at the end of the 31 March 2017</b>	<b>-</b>	<b>14,863,647</b>	<b>7,297,587</b>	<b>22,161,234</b>

Particulars	Equity share capital	Attributable to owners of the Company		Total
		Reserve and surplus		
		Securities premium	Retained earnings	
Balance as at 1 April 2015	-	14,863,647	7,300,248	22,163,895
Profit for the year	-	-	(1,847)	(1,847)
<b>Balance at the end of the 31 March 2016</b>	<b>-</b>	<b>14,863,647</b>	<b>7,298,401</b>	<b>22,162,048</b>

As per our report of even date attached.

For **SHELESH SINGHVI & CO.**

Chartered Accountants

Firm's Registration No: 014792C

**Shelesh Singhvi**

Partner

Membership No: 079817

Mumbai

May 5, 2017



For and on behalf of the Board of Directors

**Arjun Mitra**

Director

**Venkat Raman**

Director

**Firstsource Business Process Services LLC**

**Statement of cash flows**

for the year ended 31 March 2017

	Amount in USD	
	31 March 2017	31 March 2016
<b>Cash flow from operating activities</b>		
Profit before tax	(814)	(1,847)
Operating cash flow before changes in working capital	(814)	(1,847)
Changes in working capital (Decrease) / Increase in liabilities and provisions	2,924	-
Net changes in working capital	2,924	-
Net cash used in operating activities (A)	2,110	(1,847)
<b>Cash flow from investing activities</b>		
Net cash (used in) / generated from investing activities (B)	-	-
<b>Cash flow from financing activities</b>		
Net cash generated from financing activities (C)	-	-
Net decrease in cash and cash equivalents at the end of the year (A+B+C)	2,110	(1,847)
Cash and cash equivalents at the beginning of the year	19,372	21,219
Cash and cash equivalents at the end of the year	21,482	19,372

**Notes to the cash flow statement**

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

	Amount in USD	
	31 March 2017	31 March 2016
Cash on hand	-	-
Balances with banks	21,482	19,372
Cash and cash equivalents	21,482	19,372

As per our report of even date attached.

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

Shelesh Singhvi  
Partner  
Membership No: 079817  
Mumbai  
May 5, 2017



For and on behalf of the Board of Directors

Arjun Mitra  
Director

Venkat Raman  
Director

*Arjun Mitra*      *Venkat Raman*



# Firstsource Business Process Services LLC

## Notes to the financial statements

for the year ended 31 March 2017

### 1 Company overview

Firstsource Business Process Services LLC ('the Company') was incorporated under the laws of the State of Delaware on November 25, 2009. The Company is a wholly owned subsidiary of Firstsource Group USA, Inc, incorporated in the state of Delaware, USA (who have the voting rights in the Company), which is a wholly owned subsidiary of Firstsource Solutions Ltd, a company incorporate in India. On December 31, 2009, FirstRing Inc, USA, an another subsidiary of Firstsource Solutions Ltd was merged with the Company.

### 2 Significant accounting policies

#### 2.1 Basis of Preparation and Statement of compliance with IND AS

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and description of the effects of the transition have been summarized in Note 3.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Ultimate Holding Company has adopted Indian Accounting Standards( IND AS) notified under Sec 133 read with Rule 4A of the Company (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013 ( Collectively, IND AS), with effect from April 1, 2016 and is required to prepare its financial statements in accordance with Ind AS for the year ended March 31, 2017. Accordingly as per the requirements of Section 129(3) of the Act, these financial statements of the Company has been prepared in the same form and manner as that of its Ultimate Holding Company.

The financial statements 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').

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.2.1.

#### 2.2.1 Critical accounting estimates

##### Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### 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

Dividend income is recognized when the right to receive dividend is established. Interest income is recognized using the time proportion method, based on the underlying interest rates.



# Firstsource Business Process Services LLC

## Notes to the financial statements

for the year ended 31 March 2017

### 2 Significant accounting policies (continued)

#### 2.4 Property, plant and equipment

Property, plant and equipment 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 property, plant and equipment. 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)
<b>Tangible assets</b>	
Computers*	2 – 4
<b>Intangible assets</b>	
Software*	2 – 4

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, 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.

Depreciation methods, useful lives and residual values are reviewed periodically at the end of each financial year.

The Company has elected to apply fair value method on transition for Leasehold improvements as permitted under Ind AS 16 - Property, plant and equipments.

#### 2.5 Impairment

##### i Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

##### b. Non-financial assets

##### i Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### 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.





# Firstsource Business Process Services LLC

## Notes to the financial statements

for the year ended 31 March 2017

### 2 Significant accounting policies (continued)

#### 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. Refunds if any received are recorded by the company itself since the tax pertaining to those years were paid by the company.

#### 2.8 Employee 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..

#### 2.9 Leases

##### *Finance lease*

Assets acquired on finance leases, including assets acquired under sale and lease back transactions, have been recognised as an asset and a liability at the inception of the lease and have been recorded at an amount equal to the lower of the fair value of the leased asset or the present value of the future minimum lease payments. Such leased assets are depreciated over the lease term or its estimated useful life, whichever is shorter. Further, the instalments of minimum lease payments have been apportioned between finance charge / expense and principal repayment. Assets given on finance lease are shown as amounts recoverable from the lessee. The rentals received on such leases are apportioned between the finance income and principal amount using the implicit rate of return.

The finance charge / (income) is recognised as income, and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the asset.

##### *Operating lease*

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term, unless the increase is on account of inflation, in the statement of profit and loss.

#### 2.10 Earnings per equity 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.

#### 2.11 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

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





# Firstsource Business Process Services LLC

## Notes to the financial statements

for the year ended 31 March 2017

### 2 Significant accounting policies (continued)

#### 2.12 Financial instruments

##### 2.12.1 Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial

##### a) Non-derivative financial instruments

##### i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal

##### 2.12.2 Classification and subsequent measurement

##### i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

##### iii) Financial assets at fair value through profit and loss ('FVTPL')

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.



# Firstsource Business Process Services LLC

## Notes to the financial statements

for the year ended 31 March 2017

### 2 Significant accounting policies (continued)

#### 2.12 Financial instruments (continued)

##### 2.12.2 Classification and subsequent measurement (continued)

###### iv) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments.

###### v) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

##### 2.12.3 Share capital

###### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

###### De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

###### Fair value of financial instrument

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

##### 2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

##### 2.14 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.

### 3) First-time adoption of Ind AS

These financial statements of Firstsource Business Process Services LLC for the year ended 31 March 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101- First Time adoption of Indian Accounting Standard, with 1 April 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017 and the comparative information. There is no differences between Ind-AS and IGAAP for the Company hence there is no transitional impact on the Balance Sheet and Statement of Profit and Loss account.



# Firstsource Business Process Services LLC

## Notes to the financial statements (continued)

as at 31 March 2017

Amount in USD

31 March 2017 31 March 2016 1 April 2015

### 4) Investments

#### (i) Non-current

##### Unquoted

Investments carried at cost (Investment in equity instruments of subsidiaries)

10,000 membership units (31 March 2016: 10,000 units) of face value of USD 1 each in Firstsource Advantage LLC

38,271,362 38,271,362 38,271,362

Investment in One advantage LLC

25,000 25,000 25,000

38,296,362 38,296,362 38,296,362

Aggregate book value of unquoted investments

38,296,362 38,296,362 38,296,362

### 5) Taxation

#### Deferred tax asset on account of:

Difference between tax and book value of fixed assets

87,406 87,406 87,406

Carry forward losses

6,004,379 6,004,379 6,004,379

6,091,785 6,091,785 6,091,785

#### Deferred tax liability on account of:

Accrued expenses

15,468 15,468 15,468

Goodwill and other amortization

4,620,245 4,620,245 4,620,245

4,635,713 4,635,713 4,635,713

#### Net Deferred Tax Asset

1,456,072 1,456,072 1,456,072

### 6) Cash and cash equivalents

Balances with banks  
in current accounts

21,482 19,372 21,219

21,482 19,372 21,219

### 7) Share capital

#### a) Issued, subscribed and paid-up

#### b) Details of voting rights holding more than 5% in the Company

	31 March 2017	31 March 2016	1 April 2015
	% of total	% of total	% of total
	shares	shares	shares
Firstsource Group USA Inc	100%	100%	100%

### 8) Other liabilities

#### Other current liabilities

Amount payable to subsidiary

17,612,682 17,609,758 17,609,758

17,612,682 17,609,758 17,609,758





**Firstsource Business Process Services LLC**

**Notes to the financial statements (continued)**

for the year ended 31 March 2017

	Amount in USD	
	Year ended	
	31 March 2017	31 March 2016
<b>9) Other expenses</b>		
Bank administration charges	814	1,847
	<u>814</u>	<u>1,847</u>



# Firstsource Business Process Services LLC

## Notes to the financial statements (continued)

for the year ended 31 March 2017

### 10) Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2017 are summarized below:

Ultimate Holding Company	Firstsource Solutions Ltd
Holding Company	Firstsource Group USA Inc.
Fellow Subsidiary Companies	MedAssist Holding, Inc., Firstsource Advantage LLC Firstsource Solutions USA LLC (earlier known as MedAssist LLC) Firstsource Solution UK Limited Firstsource Process Management Services Limited Firstsource BPO Ireland Limited Firstsource Dialog Solutions (Private) Ltd. ISGN Fulfillment Services, Inc. ISGN Solutions, Inc. One Advantage LLC
Directors	Venkat Raman Arjun Mitra

#### Particulars of related party transactions:

Name of the related party	Description	Transaction value during year ended		Receivable / (Payable) as at	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Firstsource Advantage LLC	Investment in Equity (Payable) / Receivable	- (2,924)	- -	38,271,362 -	38,271,362 2,924
Firstsource Group USA Inc.	(Payable) / Receivable	-	-	(17,612,682)	(17,612,682)
One Advantage LLC	Investment in Equity	-	-	25,000	25,000



# Firstsource Business Process Services LLC

## Notes to the financial statements (continued)

for the year ended 31 March 2017

### 11) Financial instruments

#### I. Financial instruments by category:

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

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	21,482	-	-	21,482	21,482
<b>Total</b>	<u>21,482</u>	<u>-</u>	<u>-</u>	<u>21,482</u>	<u>21,482</u>

The carrying value and fair value of financial instruments by categories as of 31 March 2016 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	19,372	-	-	19,372	19,372
<b>Total</b>	<u>19,372</u>	<u>-</u>	<u>-</u>	<u>19,372</u>	<u>19,372</u>

The carrying value and fair value of financial instruments by categories as of 1 April 2015 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	21,219	-	-	21,219	21,219
<b>Total</b>	<u>21,219</u>	<u>-</u>	<u>-</u>	<u>21,219</u>	<u>21,219</u>





# Firstsource Business Process Services LLC

## Notes to the financial statements (continued)

for the year ended 31 March 2017

### 11) Financial instruments (continued)

#### II. Financial risk management:

##### Financial risk factors:

The Company's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

##### Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.



## Firstsource Business Process Services LLC

### Notes to the financial statements (continued)

for the year ended 31 March 2017

#### 12) Capital and other commitments and contingent liabilities

The Company has capital commitments of Rs. Nil (31st March 2016: Nil) as at the balance sheet date. There are no contingent liabilities as at the balance sheet date.

#### 13) Earnings Per Share

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.

#### 14) Subsequent events

The company evaluated subsequent events from the balance sheet date through 5 May 2017 and determined there are no material items to report.

As per our report of even date attached.

For SHELESH SINGHVI & CO.

Chartered Accountants

Firm's Registration No: 014792C



Shelesh Singhvi

Partner

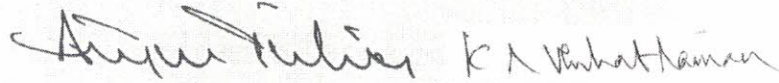
Membership No: 079817

Mumbai

5 May 2017



For and on behalf of the Board of Directors of



Arjun Mitra  
Director

Venkat Raman  
Director