

SHELESH SINGHVI & Co.

Chartered Accountants

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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 Transactions 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 there under. 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 assessments,



Independent Auditors' Report (Continued)

Auditor's responsibility (Continued)

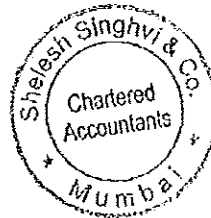
the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting 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.

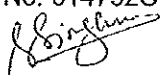
Opinion

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 Transaction Services LLC

Balance sheet

as at 31 March 2017

	Note	Amount in USD		Amount in USD
		31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	1,578,867	1,502,516	1,366,450
Capital work-in-progress		69,549	72,419	-
Other intangible assets	4	481,105	913,014	128,018
Financial assets				
Other financial assets	5(i)	215,896	232,288	234,281
Other assets	6(i)	124,973	44,329	65,531
Total non-current assets		2,470,390	2,764,566	1,794,280
Current assets				
Financial assets				
Trade receivables	7	10,339,400	12,138,398	12,344,921
Cash and cash equivalents	8	-	111,067	68,241
Other financial assets	5(ii)	483,685	72,539	60,994
Other assets	6(ii)	14,292,389	9,968,675	4,710,849
Total current assets		25,115,474	22,290,679	17,185,005
Total assets		27,585,864	25,055,245	18,979,285
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	-	-	-
Other equity		23,718,734	20,964,989	15,605,505
Total equity		23,718,734	20,964,989	15,605,505
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Long-term borrowings	13(i)	-	1,718	4,934
Total non-current liabilities		-	1,718	4,934
Current liabilities				
Financial liabilities				
Short-term borrowings	13(ii)	2,215	5,585	6,637
Trade and other payables	10	690,101	645,750	725,197
Other financial liabilities	11	261,655	-	-
Provisions for employee benefits	12	498,629	739,887	786,356
Other liabilities	13(iii)	2,414,530	2,697,316	1,850,657
Total current liabilities		3,867,130	4,088,538	3,368,847
Total equity and liabilities		27,585,864	25,055,245	18,979,285

Significant accounting policies

2

The accompanying notes from 1 to 25 are an integral part of these financial statements.

As per our report of even date attached.

For SHELESH SINGHVI & CO.

Chartered Accountants

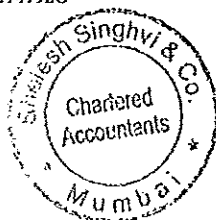
Firm's Registration No: 014792C

Shelesh Singhvi
Partner

Membership No: 079817

May 5, 2017

Mumbai



For and on behalf of the Board of Directors

Yeutat Raman *Arjun Mitra*

Yeutat Raman
Director

Arjun Mitra
Director

Firstsource Transaction 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
INCOME			
Revenue from operations	13	90,709,697	92,879,629
Other income	14	(1,662)	153
Cost Of Sales		15,950,169	14,060,377
Employee benefits expense	15	57,809,063	60,715,946
Finance costs	16	44,587	28,227
Depreciation and amortization	4(i), (ii)	780,654	788,891
Other expenses	17	13,369,817	11,926,857
Total expenses		87,954,290	87,520,298
Profit before taxation		2,753,745	5,359,484
Tax expense		-	-
Current tax		-	-
Deferred tax		-	-
Profit for the year		2,753,745	5,359,484
Other comprehensive income		-	-
Total other comprehensive income for the year		2,753,745	5,359,484

Significant accounting policies 2
 The accompanying notes from 1 to 25 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
 Shelesh Singhvi
 Partner
 Membership No: 079817
 May 5, 2017
 Mumbai



For and on behalf of the Board of Directors

Venkat Raman

Venkat Raman
 Director

Arjun Mitra
 Director

Arjun Mitra

Firstsource Transaction Services LLC
Statement of cash flows
for the year ended 31 March 2017

	Amount in USD	
	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before tax	2,753,745	5,359,484
Adjustments for		
Depreciation and amortisation	780,654	788,891
(Gain) / loss on sale of fixed assets, net	-	768
Finance costs	44,587	28,227
Operating cash flow before changes in working capital	3,578,986	6,177,370
Changes in working capital		
Decrease / (increase) in trade receivables	1,798,998	206,523
Decrease / (increase) in loans and advances and other assets	(4,799,112)	(5,246,175)
(Decrease) / Increase in liabilities and provisions	(206,150)	708,855
Net changes in working capital	(3,206,264)	(4,330,797)
Income taxes paid	-	-
Net cash generated from operating activities (A)	372,722	1,846,573
Cash flow from investing activities		
Purchase of property plant and equipment and capital advances given	(422,226)	(1,783,140)
Net cash used in investing activities (B)	(422,226)	(1,783,140)
Cash flow from financing activities		
Proceeds from secured loan	(5,088)	(4,268)
Interest paid	(44,587)	(28,227)
Net cash used in financing activities (C)	(49,675)	(32,495)
Net decrease in cash and cash equivalents at the end of the year (A+B+C)	(99,179)	30,938
Cash and cash equivalents at the beginning of the year	99,179	68,241
Cash and cash equivalents at the end of the year	(0)	99,179

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	-	111,067
Cash and cash equivalents	-	111,067

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
May 3, 2017
Mumbai



For and on behalf of the Board of Directors

Yenkat Raman

Yenkat Raman
Director

Arjun Mitra

Arjun Mitra
Director

Firstsource Transaction Services LLC

Statement of changes in equity

for the year ended 31 March 2017

B. Equity share capital and other equity (continued)

	Equity share capital	Attributable to Reserve and Retained earnings	Total
Balance as at 1 April 2016	-	20,964,989	20,964,989
Other comprehensive income for the period		-	-
Profit for the year		2,753,745	2,753,745
Balance at the end of the 31 March 2017	-	23,718,734	23,718,734

	Equity share capital	Attributable to owners of the Company Reserve and surplus	Total
Balance as at 1 April 2015	-	15,605,505	15,605,505
Profit for the year	-	5,359,484	5,359,484
Balance at the end of the 31 March 2016	-	20,964,989	20,964,989

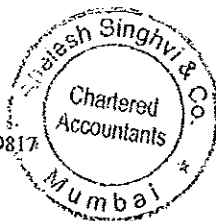
As per our report of even date attached.

For SHELESH SINGHVI & CO.
Chartered Accountants

Firm's Registration No: 014792C

Shelesh Singhvi
Partner

Membership No: 079817
May 5, 2017
Mumbai



For and on behalf of the Board of Directors of

Venkat Raman

Venkat Raman
Director

Arjun Mitra

Arjun Mitra
Director

Firstsource Transaction Services LLC

Notes to the financial statements
for the year ended 31 March 2017

1 Company overview

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 and Statement of compliance with IND AS

The Company has adopted all the Ind AS standards 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.

2.3.1 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.

2.4 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 recognised on completion of the related service and is billed in accordance with contractual terms specified in the respective customer contracts.

Customer contracts. Revenue from fixed fee based service contracts is recognized on achievement of performance milestones specified in the customer contracts.

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

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

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

Firstsource Transaction Services LLC

Notes to the financial statements
for the year ended 31 March 2017

2 Significant accounting policies (continued)

2.5 Property, plant and equipment

Asset category	Useful life (in years)
<i>Tangible assets</i>	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Computers*	2 - 4
Service equipment*	2 - 5
Furniture and fixtures*	2 - 5
Office equipment*	2 - 5
Vehicles	2 - 5
<i>Intangible assets</i>	
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.

2.6 Impairment

a. 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

1 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.

2.7 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 Transaction Services LLC

Notes to the financial statements
for the year ended 31 March 2017

2 Significant accounting policies (continued)

2.8 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 (Income tax and deferred tax) 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.

2.9 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 utilize 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.

2.10 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.

Firstsource Transaction Services LLC
Notes to the financial statements
for the year ended 31 March 2017

2 Significant accounting policies (continued)

2.11 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.

2.12 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.

2.13 Financial Instruments

2.13.1 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 liability.

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 and usage.

2.13.2 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 Transaction Services LLC
Notes to the financial statements
for the year ended 31 March 2017

2 Significant accounting policies (continued)

2.13 Financial Instruments (continued)

2.13.3 Classification and subsequent measurement (continued)

(v) 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 recognized by the Company at the proceeds received net of direct issue cost.

b) 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.

2.14 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.

2.15 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 Transaction Services LLC
Notes to the financial statements (continued)
as at 31 March 2017

3) First-time adoption of Ind AS

These financial statements of Firstsource Transaction 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. An explanation of how the transition from IGAAP to Ind AS has affected the Company's balance sheet and statement of profit and loss is set out in Notes 3.1 and 3.2.

3.1) Reconciliation of equity as previously reported under IGAAP to Ind AS

	Opening balance sheet as at 1 April 2015			Balance sheet as at 31 March 2016			
	Note	IGAAP	Effect of transition to Ind AS	IND AS	IGAAP	Effect of transition to Ind AS	IND AS
ASSETS							
Non-current assets							
Property, plant and equipment		1,366,450		1,366,450	1,502,516		1,502,516
Capital work-in-progress		-		-	72,419		72,419
Other intangible assets		128,018		128,018	913,014		913,014
Financial assets							
Other financial assets		234,281		234,281	232,288		232,288
Others non-current assets		65,531		65,531	41,329		41,329
Total non-current assets		1,794,280	-	1,794,280	2,764,566	-	2,764,566
Current assets							
Financial assets							
Trade receivables		12,344,921		12,344,921	12,138,398		12,138,398
Cash and cash equivalents		68,241		68,241	111,067		111,067
Other financial assets		60,994		60,994	72,539		72,539
Other current assets		4,710,849		4,710,849	9,968,675		9,968,675
Total current assets		17,185,005	-	17,185,005	22,290,679	-	22,290,679
Total assets		18,979,285	-	18,979,285	25,055,245	-	25,055,245
EQUITY AND LIABILITIES							
Equity							
Equity share capital		-		-	-		-
Other equity		15,593,617	(11,888)	15,605,505	20,953,101	(11,888)	20,964,989
Total equity attributable to equity share holders of the company		15,593,617	(11,888)	15,605,505	20,953,101	(11,888)	20,964,989
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Long-term borrowings		4,934		4,934	1,718		1,718
Total non-current liabilities		4,934	-	4,934	1,718	-	1,718
Current liabilities							
Financial liabilities							
Short-term borrowings		6,637		6,637	5,585		5,585
Trade and other payables		737,085	11,888	725,197	657,638	11,888	645,750
Provision for employee Benefits		786,356		786,356	739,887		739,887
Other liabilities		1,850,657		1,850,657	2,697,316		2,697,316
Total current liabilities		3,380,735	11,888	3,368,847	4,100,426	11,888	4,088,538
Total equity and liabilities		18,979,285	-	18,979,285	25,055,245	-	25,055,245

Firstsource Transaction Services LLC
Notes to the financial statements (continued)
for the year ended 31 March 2017

3.2) Reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS

	Note	Year ended 31 March 2016	
		IGAAP	Ind AS
			Effect of transition to Ind AS
Revenue from operations		92,879,629	-
Total income		92,879,782	-
Expenses			
Cost Of Sales		14,060,377	14,060,377
Employee benefits expense		60,715,946	60,715,946
Finance costs		28,227	28,227
Depreciation and amortisation		788,891	788,891
Other expenses		11,926,857	11,926,857
Total expenses		87,520,298	-
Profit before taxation		5,359,484	-
Tax expenses			
- Current tax			-
- Deferred tax			-
Profit for the period		5,359,484	-
Other comprehensive income			
Total comprehensive income for the period		5,359,484	-

Firstsource Transaction Services LLC

Notes to the financial statements (continued)
as at 31 March 2017

4) Property, plant and equipment (continued)

Particulars	Amount in USD								Grand Total	
	Computers	Network	Vehicles	Office Equipment	Furniture & Fixture	Leasehold Improvements	Total	Software		
Gross block (at deemed cost)										
As at 1 April 2016	3,532,052	660,381	85,584	523,362	2,575,579	1,319,449	8,696,407	3,982,370	12,678,777	
Additions / adjustments during the year	136,597	394,267	-	72,656	5,974	13,214	622,708	195,323	818,051	
Deletions during the year	-	-	-	-	-	-	-	(532,368)	(532,368)	
As at 31 March 2017	3,668,649	1,054,648	85,584	596,018	2,581,553	1,332,663	9,319,115	3,645,325	12,964,440	
Accumulated depreciation / amortization										
As at 1 April 2016	3,193,912	361,026	67,118	231,045	2,225,572	1,115,217	7,193,891	3,069,356	10,263,247	
Charge for the year	163,731	130,281	9,213	99,912	104,311	38,909	546,357	234,297	780,654	
On deletions / adjustments during the year	-	-	-	-	-	-	-	(139,433)	(139,433)	
As at 31 March 2017	3,357,643	491,307	76,331	330,957	2,329,883	1,154,126	7,740,248	3,164,220	10,904,468	
Net block										
As at 31 March 2017	311,006	563,341	9,253	265,061	251,670	178,537	1,578,867	481,105	2,059,972	
As at 31 March 2016	338,140	299,355	18,466	292,316	350,007	204,232	1,502,516	913,014	2,415,530	

4) Property, plant and equipment (continued)

Particulars	Tangible Asset					Intangible Asset		Grand Total
	Computers	Network	Vehicles	Office Equipment	Furniture & Fixture	Leasehold Improvements	Software	
Gross block (at deemed cost)								
As at 1 April 2015	3,519,845	583,979	85,584	356,315	2,471,788	1,238,185	2,990,631	11,246,327
Additions / adjustments during the year	183,898	141,553	-	169,316	141,486	81,264	992,457	1,709,954
Transfer	-	-	-	-	-	-	-	-
Deletions during the year	171,691	65,131	-	2,269	37,695	-	718	277,504
As at 31 March 2016	3,532,052	660,381	85,584	523,362	2,575,579	1,319,449	3,982,370	12,678,777
Accumulated depreciation / amortization								
As at 1 April 2015	3,202,181	250,939	55,326	144,118	2,171,240	1,065,442	2,862,613	9,751,862
Charge for the year	163,422	175,218	11,792	89,196	92,026	49,775	207,460	788,891
Transfer to OAL	-	-	-	-	-	-	-	-
On deletions / adjustments during the year	(171,691)	65,131	-	2,269	37,695	-	718	277,503
As at 31 March 2016	3,193,912	361,026	67,118	231,045	2,225,572	1,115,217	3,069,356	10,263,247
Net block								
As at 31 March 2016	338,140	299,355	18,466	292,316	350,007	204,232	913,014	2,415,530
As at 31 March 2015	317,664	333,040	30,258	212,197	300,548	172,743	128,018	1,494,468

Firstsource Transaction Services LLC
Notes to the financial statements (continued)
as at 31 March 2017

	Amount in USD		Amount in USD
	31 March 2017	31 March 2016	1 April 2015
5) Other financial assets			
(i) Other non-current financial assets			
Deposits	215,896	232,288	234,281
	<u>215,896</u>	<u>232,288</u>	<u>234,281</u>
(ii) Other current financial assets			
Unbilled receivables	483,685	72,539	60,994
	<u>483,685</u>	<u>72,539</u>	<u>60,994</u>
Financial assets carried at amortised cost	699,581	304,827	295,275
6) Other assets			
(i) Other non-current assets <i>(Unsecured, considered good)</i>			
Prepaid expenses	124,973	44,329	65,531
	<u>124,973</u>	<u>44,329</u>	<u>65,531</u>
(ii) Other current assets			
Advances to subsidiaries	13,566,987	9,434,232	4,338,825
Prepaid expenses	725,364	532,493	372,024
Other advances	38	1,950	-
	<u>14,292,389</u>	<u>9,968,675</u>	<u>4,710,849</u>
7) Trade receivables <i>(Unsecured)</i>			
Considered doubtful	-	162,500	19,691
	-	162,500	19,691
Less: Impairment allowance	-	162,500	19,691
	-	-	-
Considered good	10,339,400	12,138,398	12,344,921
	<u>10,339,400</u>	<u>12,138,398</u>	<u>12,344,921</u>
8) Cash and cash equivalents			
Balances with banks in current accounts	-	111,067	68,241
	-	111,067	68,241

Firstsource Transaction Services LLC
Notes to the financial statements (continued)
as at 31 March 2017

	Amount in USD		Amount in USD
	31 March 2017	31 March 2016	1 April 2015
1) Share capital			
Authorised			
Issued, subscribed and paid-up	-	-	-
	-	-	-
0) Trade Payables			
Trade Payables	690,101	645,750	725,197
	690,101	645,750	725,197
1) Other financial liabilities			
Other current financial liabilities			
Book credit in bank account	261,655	-	-
	261,655	-	-
2) Provision for employee benefits			
Current			
Compensated absences	498,629	739,887	786,356
	498,629	739,887	786,356
3) Financial Liabilities			
(i) Long term Borrowings			
loan from Non Banking Financial Institutions	-	1,718	4,934
	-	1,718	4,933.64
Short term Borrowings			
loan from Non Banking Financial Institutions	2,215	5,585	6,637
	2,215	5,585	6,637
(iii) Other current liabilities			
Statutory Dues	116,393	247,956	135,265
Employee benefits payable	2,298,135	2,449,360	1,700,190
Payable to Client	-	-	15,201
	2,414,528	2,697,316	1,850,657

Firstsource Transaction Services LLC
Notes to the financial statements (continued)
for the year ended 31 March 2017

	Amount in USD	
	31 March 2017	31 March 2016
14) Revenue from operations	90,709,697	92,879,629
	<u>90,709,697</u>	<u>92,879,629</u>
15) Other income		
Foreign exchange gain, net	(2,321)	(742)
Miscellaneous income	659	895
	<u>(1,662)</u>	<u>153</u>
16) Employee benefits expense		
Salaries and wages	52,626,767	55,465,202
Contribution to provident and other funds	259,453	269,528
Staff welfare expenses	4,922,843	4,981,216
	<u>57,809,063</u>	<u>60,715,946</u>
17) Finance cost		
Interest expense	44,587	28,227
	<u>44,587</u>	<u>28,227</u>
18) Other expenses		
Rent	2,606,761	1,897,139
Repairs, maintenance and upkeep	1,029,120	1,038,571
Insurance	592,024	552,027
Rates and taxes	137,172	9,644
Legal and professional fees	1,226,778	951,526
Car and other hire charges	2,527,177	1,999,021
Information and communication expenses	1,684,763	1,222,311
Recruitment and training expenses	457,011	278,670
Marketing and Supporting Services	230,153	134,859
Outsource Cost	320,628	472,439
Electricity, water and power consumption	394,484	415,820
Registration fees	9,848	675
Travel and conveyance	568,093	624,905
Computer expenses	581,235	863,087
Printing and stationery	472,090	621,510
Provision for doubtful debts/ written off/ (written back), net	(162,500)	142,809
Common corporate cost	652,829	670,162
Charitable Contribution	500	-
(Gain)/Loss on sale of Fixed assets	-	768
Bank administration charges	19,139	15,774
Miscellaneous expenses	22,512	15,140
	<u>13,369,817</u>	<u>11,926,857</u>

Firstsource Transaction Services LLC
Notes to the financial statements (continued)
as at 31 March 2017

19) **Financial instruments**

1. *Financial instruments by category:*

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	10,339,400	-	-	10,339,400	10,339,400
Other financial assets	699,581	-	-	699,581	699,581
Total	11,038,981	-	-	11,038,981	11,038,981
Financial liabilities					
Other financial liability	261,655	-	-	261,655	261,655
Trade and other payables	690,101	-	-	690,101	690,101
Total	951,756	-	-	951,756	951,756

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
Financial assets					
Investments	-	-	-	-	-
Trade receivables	12,138,398	-	-	12,138,398	12,138,398
Cash and cash equivalents	111,067	-	-	111,067	111,067
Other financial assets	72,539	-	-	72,539	72,539
Total	12,322,004	-	-	12,322,004	-
Financial liabilities					
Trade and other payables	645,750	-	-	645,750	645,750
Total	645,750	-	-	645,750	-

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
Financial assets					
Trade receivables	12,344,921	-	-	12,344,921	12,344,921
Cash and cash equivalents	68,241	-	-	68,241	68,241
Other financial assets	60,994	-	-	60,994	60,994
Total	12,474,156	-	-	12,474,156	12,474,156
Financial liabilities					
Borrowings	4,934	-	-	4,934	4,934
Trade and other payables	725,197	-	-	725,197	725,197
Total	730,131	-	-	730,131	730,131

19) Financial instruments (continued)

II. Financial risk management:

The Company operates in the US and there is no major transactions outside the US, so there is no major market risk for the Company.

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 10,339,400, USD 12,138,398 and USD 12,344,920 as of 31 March 2017, 31 March 2016 and 1 April 2015 respectively and unbilled revenue amounting to USD 483,685, USD 72,539 and USD 60,994 as of 31 March 2017, 31 March 2016 and 1 April 2015, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

c) 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.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2017, 31 March 2016 and 1 April 2015:

	31 March 2017		31 March 2016		01 April 2015	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	690,101	-	645,750	-	725,197	-
Other borrowings	2,215	-	5,585	1,718	6,637	4,934
Bank credit in bank account	261,655	-	-	-	-	-

20) Leases

Operating lease

The Company is obligated under Cancellable operating leases for office space and office equipment which are renewable on a periodic basis at the option of both the lessor and lessee. Expenses under cancellable operating leases for the year ended 31 March 2017 aggregated to USD 2,606,761 (31 March 2016: USD 1,897,139). Expenses under non-cancellable operating leases for the year ended 31 March 2017 is Nil.

Firstsource Transaction Services LLC

Notes to the financial statements (continued)

as at 31 March 2017

21) 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
Fellow Subsidiary Companies	MedAssist Holding, Inc., Firstsource Solutions USA LLC (earlier known as MedAssist 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) Ltd. Firstsource Business Process Services LLC Firstsource Solutions USA LLC 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) at	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Firstsource Solutions Limited	Cost of Sales	15,950,169	14,060,377	-	-
	Recovery of expenses	51,447	18,222	-	-
	Reimbursement of expenses	1,002,851	951,973	-	-
	Receivable / (Payable)	-	-	(14,502,873)	(5,426,289)
Firstsource Group USA Inc	Reimbursement of expenses	3,684,853	2,415,699	-	-
	Recovery of expense	1,063,674	404,624	-	-
	Receivable / (Payable)	-	-	42,911,631	19,208,599
Mediassist Holdings LLC	Reimbursement of expenses	7,239,443	7,205,227	-	-
	Recovery of expense	431,898	346,448	-	-
	Receivable / (Payable)	-	-	(14,633,201)	(7,514,155)
Firstsource Advantage LLC	Reimbursement of expenses	64,658	99,082	-	-
	Recovery of expense	2,549	5,393	-	-
	Receivable / (Payable)	-	-	(23,947)	4,881,092
ISGN Solutions, Inc.	Recovery of expense	6,422	-	-	-
	Receivable / (Payable)	-	-	6,422	-
ISGN Fulfillment Services, Inc	Reimbursement of expenses	219,891	-	-	-
	Recovery of expense	24,306	-	-	-
	Receivable / (Payable)	-	-	(195,075)	-
One Advantage LLC	Reimbursement of expenses	3,226	17,468	-	-
	Recovery of expense	7,702	2,453	-	-
	Receivable / (Payable)	-	-	4,030	(1,715,015)

Firstsource Transaction Services LLC
Notes to the financial statements (continued)
as at 31 March 2017

22) Segment reporting

As per Ind AS 108 - Operating Segment, if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements of the Ultimate Holding Company.

23) Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 49,425 (31 March 2016: USD 1,363,963) as at the balance sheet date. There are no contingent liabilities as at the balance sheet date.

24) Long-term contracts

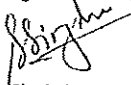
The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision as required under any law / Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

25) Subsequent events

The Board of directors at its meeting held on 5 May 2017 approved the financial statements of the company for the year ended 31 March 2017. The company evaluated subsequent events from the balance sheet date through 5 May 2017 and determined there are no material items to report.

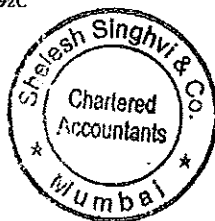
As per our report of even date attached.

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

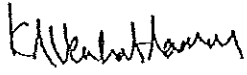

Shelesh Singhvi
Partner
Membership No: 079817

May 5, 2017

Mumbai



For and on behalf of the Board of Directors


Venkat Raman
Director


Arjun Mitra
Director