

**Medassist Holdings LLC.**

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

# **Medassist Holdings 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 Medassist Holdings 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

# Medassist Holdings LLC.

## Balance sheet

as at 31 March 2017

		Amount in USD		
	Note	31 March 2017	31 March 2016	1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	429,901	439,457	702,588
Other intangible assets	4	191,533	331,103	492,882
<b>Financial assets</b>				
Other financial assets	5(i)	49,784	96,835	96,835
Other assets	6(i)	10,257	-	17,214
Income tax assets (net)	9(ii)	199,243	165,817	174,043
<b>Total non-current assets</b>		<b>880,718</b>	<b>1,033,212</b>	<b>1,483,562</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	7	15,289,270	14,809,246	15,988,442
Cash and cash equivalents	8	-	269,079	599,002
Other financial assets	5(ii)	170,811	195,365	129,112
Other assets	6(ii)	12,530,587	4,819,581	289,448
<b>Total current assets</b>		<b>27,990,668</b>	<b>20,093,271</b>	<b>17,006,004</b>
<b>Total assets</b>		<b>28,871,386</b>	<b>21,126,483</b>	<b>18,489,566</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	11,531,137	11,531,137	11,531,137
Other equity	B	1,118,375	(7,501,505)	(10,125,336)
<b>Total equity</b>		<b>12,649,512</b>	<b>4,029,632</b>	<b>1,405,801</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Long-term borrowings	10(i)	-	-	32,544
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>32,544</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Short-term borrowings	10(ii)	-	37,968	66,126
Trade and other payables	12	1,283,979	1,504,330	1,576,971
Other financial liabilities	13	223,450	-	-
Provisions for employee benefits	14	714,731	1,578,319	1,670,396
Other liabilities	15	2,557,436	2,533,956	2,295,450
Deferred tax liabilities, net	9(i)	11,442,278	11,442,278	11,442,278
<b>Total current liabilities</b>		<b>16,221,874</b>	<b>17,096,851</b>	<b>17,051,221</b>
<b>Total equity and liabilities</b>		<b>28,871,386</b>	<b>21,126,483</b>	<b>18,489,566</b>

### Significant accounting policies

2

The accompanying notes from 1 to 27 are an integral part of these financial statements.

As per our report of even date attached.

For SHELESH SINGHVI & CO.

For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration No: 014792C

Shelesh Singhvi

Partner

Membership No: 079817

May 5, 2017

Mumbai



Arjun Mitra  
Director

Venkat Raman  
Director

**Medassist Holdings 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	15	80,510,341	82,418,521
Other income	16	-	(3,711)
<b>Total income</b>		<b>80,510,341</b>	<b>82,414,810</b>
<b>EXPENSES</b>			
Cost of Sales		1,066,668	597,701
Employee benefits expense	17	50,344,631	57,766,680
Finance costs	18	3,904,092	4,530,851
Depreciation and amortization	4	450,482	582,255
Other expenses	19	16,124,588	16,313,492
<b>Total expenses</b>		<b>71,890,461</b>	<b>79,790,979</b>
<b>Profit before taxation</b>		<b>8,619,880</b>	<b>2,623,831</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		<b>8,619,880</b>	<b>2,623,831</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income for the year</b>		<b>8,619,880</b>	<b>2,623,831</b>
Weighted average number of equity shares outstanding during the year.			
Basic		992	992
Diluted		992	992
Earnings per equity share			
Basic		8,689.40	2,644.99
Diluted		8,689.40	2,644.99

**Significant accounting policies** 2

The accompanying notes from 1 to 27 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

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



For and on behalf of the Board of Directors

*(Signature)* *(Signature)*  
Arjun Mitra Venkat Raman  
Director Director

**Medassist Holdings LLC.**  
**Statement of changes in equity**  
*for the year ended 31 March 2017*

**B. Equity share capital and other equity**

Particulars	Attributable to owners of the Company		Total
	Equity share capital	Reserve and surplus	
		Retained earnings	
Balance as at 1 April 2016	11,531,137	(7,501,505)	4,029,632
Profit for the period	-	8,619,880	8,619,880
<b>Balance at the end of the 31 March 2017</b>	<b>11,531,137</b>	<b>1,118,375</b>	<b>12,649,512</b>

Particulars	Attributable to owners of the Company		Total
	Equity share capital	Reserve and surplus	
		Retained earnings	
Balance as at 1 April 2015	11,531,137	(10,125,336)	1,405,801
Profit for the year	-	2,623,831	2,623,831
<b>Balance at the end of the 31 March 2016</b>	<b>11,531,137</b>	<b>(7,501,505)</b>	<b>4,029,632</b>

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

*Arjun Mitra*      *Venkat Raman*

**Arjun Mitra**  
*Director*

**Venkat Raman**  
*Director*

**Medassist Holdings LLC.****Statement of cash flows***for the year ended 31 March 2017*

	<b>Amount in USD</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>
<b><u>Cash flow from operating activities</u></b>		
<b>Profit before tax</b>	<b>8,619,880</b>	2,623,831
<b>Adjustments for</b>		
Depreciation and amortisation	<b>450,482</b>	582,255
Provision for doubtful debts written off / (written back)	<b>242,699</b>	1,052,025
(Gain) / loss on sale of fixed assets, net	-	3,711
Interest expense	<b>3,904,092</b>	4,530,851
<b>Operating cash flow before changes in working capital</b>	<b>13,217,153</b>	8,792,673
<b>Changes in working capital</b>		
Decrease / (increase) in trade receivables	<b>(722,723)</b>	127,171
Decrease / (increase) in loans and advances and other assets	<b>(7,649,659)</b>	(4,579,173)
(Decrease) / increase in liabilities and provisions	<b>(837,009)</b>	73,789
<b>Net changes in working capital</b>	<b>(9,209,391)</b>	(4,378,213)
Income taxes paid/(advance tax)	<b>33,426</b>	(8,226)
<b>Net cash used in operating activities (A)</b>	<b>3,974,336</b>	4,422,686
<b><u>Cash flow from investing activities</u></b>		
Purchase of property plant and equipment and capital advances given	<b>(301,355)</b>	(161,055)
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(301,355)</b>	(161,055)
Repayment of Long term borrowings	-	(32,544)
Repayment of Short term borrowings	<b>(37,968)</b>	(28,158)
Interest paid	<b>(3,904,092)</b>	(4,530,851)
<b>Net cash generated from financing activities (C)</b>	<b>(3,942,060)</b>	(4,591,553)
<b>Net decrease in cash and cash equivalents at the end of the year</b>	<b>(269,079)</b>	(329,923)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>269,079</b>	599,002
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	269,079



**Medassist Holdings LLC.**  
**Statement of cash flows (Continued)**  
*for the year ended 31 March 2017*

**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

	Amount in USD	
	31 March 2017	31 March 2016
Cash on hand	-	
Balances with banks		
- in current accounts	-	269,079
Cash and cash equivalents	-	269,079

As per our report of even date attached.

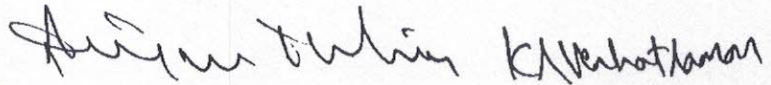
For **SHELESH SINGHVI & CO.**  
*Chartered Accountants*  
 Firm's Registration No: 014792C



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



For and on behalf of the Board of Directors



**Arjun Mitra**  
*Director*

**Venkat Raman**  
*Director*

# Medassist Holdings LLC.

## Notes to the financial statements

for the year ended 31 March 2017

### 1 Company overview

Medassist Holding Inc. (Medassist), a Kentucky corporation, was formed in April 2003. Medassist alongwith its subsidiaries are a leading provider of revenue cycle management services in healthcare industry. The Company is a wholly owned subsidiary of Firstsource Group USA Inc., which is a wholly owned subsidiary of Firstsource Solutions Limited, India. With effect from 1 April 2010, Firstsource Sherpa Asset LLC – an another subsidiary of Firstsource Group USA Inc., is merged with the Company. Further, the business units viz. legacy Medplans and legacy Sherpa was demerged from the Company and the resultant company Firstsource Transaction Services LLC ('the Company') was incorporated under the laws of the State of Delaware on 26 May 2011. Further with effect from October 1, 2011, Firstsource Financial Services LLC, a subsidiary of Medassist Holdings Inc. was demerged from the company

### 2 Significant accounting policies

#### 2.1 Basis of Preparation

The 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.

#### 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.

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.



## Medassist Holdings 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>	
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
<b>Intangible assets</b>	
Software*	3 – 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

###### 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

###### 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.



## Medassist Holdings 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 Deferred tax and Income Tax liability is computed on a consolidated basis and hence the tax liabilities for the company have been included in the financial statements of the parent company ie Firstsource Group USA, Inc.

##### 2.8 Employee benefits

###### *Defined contribution plans*

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

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

###### *Other long-term employee benefits*

###### *Compensated absences*

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

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

##### 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.



## **Medassist Holdings LLC.**

### **Notes to the financial statements**

for the year ended 31 March 2017

#### **2 Significant accounting policies (continued)**

##### **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 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.

##### **2.12 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 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.

###### **2.12.2 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.

###### **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.



## **Medassist Holdings LLC.**

### **Notes to the financial statements**

for the year ended 31 March 2017

#### **2 Significant accounting policies (continued)**

##### **2.12 Financial instruments (continued)**

###### **2.12.3 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.















# Medassist Holdings LLC.

## Notes to the financial statements (continued)

as at 31 March 2017

	Amount in USD		
	31 March 2017	31 March 2016	1 April 2015
<b>12) Trade Payables</b>			
Trade Payables	1,283,979	1,504,330	1,576,971
	<u>1,283,979</u>	<u>1,504,330</u>	<u>1,576,971</u>
<b>13) Other financial liabilities</b>			
Book credit in bank account	223,450	-	-
	<u>223,450</u>	<u>-</u>	<u>-</u>
<b>14) Provision for employee benefits</b>			
<b>Current</b>			
Compensated absences	714,731	1,578,319	1,670,396
	<u>714,731</u>	<u>1,578,319</u>	<u>1,670,396</u>
<b>15) Other liabilities</b>			
Amount payable to group companies (Net)	-	-	249,458
Statutory Dues	232,449	320,094	246,184
Employee benefits payable	2,177,199	1,958,261	1,799,108
Payable to Client	147,786	83,981	-
Creditors for capital goods	-	-	700
Advance From Customer	-	171,619	-
	<u>2,557,434</u>	<u>2,533,956</u>	<u>2,295,450</u>



**Medassist Holdings 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>16) Revenue from operations</b>		
Sale of services	80,510,341	82,418,521
	<u>80,510,341</u>	<u>82,418,521</u>
<b>17) Other income</b>		
Profit / (Loss) on sale / write off of fixed assets, net	-	(3,711)
	<u>-</u>	<u>(3,711)</u>
<b>18) Employee benefits expense</b>		
Salaries and wages	45,272,828	52,107,395
Contribution to provident and other funds	182,401	246,316
Staff welfare expenses	4,889,402	5,412,969
	<u>50,344,631</u>	<u>57,766,680</u>
<b>19) Finance cost</b>		
Interest expense	3,904,092	4,530,851
	<u>3,904,092</u>	<u>4,530,851</u>
<b>20) Other expenses</b>		
Rent	1,875,621	2,065,677
Repairs, maintenance and upkeep	262,084	343,885
Insurance	54,694	88,140
Rates and taxes	257,123	101,610
Legal and professional fees	1,937,479	1,238,735
Car and other hire charges	674,376	501,602
Connectivity charges	1,127,645	1,214,621
Information and communication expenses	4,159,954	4,448,471
Recruitment and training expenses	498,856	310,882
Meeting and seminar expenses	567,699	508,405
Electricity, water and power consumption	114,079	141,322
Travel and conveyance	1,718,691	1,928,732
Computer expenses	685,753	712,080
Printing and stationery	206,364	319,193
Provision for doubtful debts/ written off/ (written back), net	242,699	1,052,025
Common Corporate Cost	1,154,481	981,437
Bank administration charges	81,528	70,982
Outsource cost	475,144	249,060
Books and Periodicals	8,244	34,537
Miscellaneous expenses	19,856	-
Charitable Contribution	2,218	2,096
	<u>16,124,588</u>	<u>16,313,492</u>



**Medassist Holdings LLC.**  
**Notes to the financial statements (continued)**  
for the year ended 31 March 2017

21) **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>					
Trade receivables	15,289,270	-	-	15,289,270	15,289,270
Other financial assets	220,595	-	-	220,595	220,595
<b>Total</b>	<b>15,509,865</b>	<b>-</b>	<b>-</b>	<b>15,509,865</b>	<b>15,509,865</b>
<b>Financial liabilities</b>					
Other financial liability	223,450	-	-	223,450	223,450
Trade and other payables	1,283,979	-	-	1,283,979	1,283,979
<b>Total</b>	<b>1,507,429</b>	<b>-</b>	<b>-</b>	<b>1,507,429</b>	<b>1,507,429</b>

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>					
Trade receivables	14,809,246	-	-	14,809,246	14,809,246
Cash and cash equivalents	269,079	-	-	269,079	269,079
Other financial assets	292,200	-	-	292,200	292,200
<b>Total</b>	<b>15,370,525</b>	<b>-</b>	<b>-</b>	<b>15,370,525</b>	<b>15,370,525</b>
<b>Financial liabilities</b>					
Borrowings	37,968	-	-	37,968	37,968
Trade and other payables	1,504,331	-	-	1,504,331	1,504,331
<b>Total</b>	<b>1,542,299</b>	<b>-</b>	<b>-</b>	<b>1,542,299</b>	<b>1,542,299</b>

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>					
Trade receivables	15,988,442	-	-	15,988,442	15,988,442
Cash and cash equivalents	599,002	-	-	599,002	599,002
Other financial assets	225,947	-	-	225,947	225,947
<b>Total</b>	<b>16,813,391</b>	<b>-</b>	<b>-</b>	<b>16,813,391</b>	<b>16,813,391</b>
<b>Financial liabilities</b>					
Borrowings	98,670	-	-	98,670	98,670
Trade and other payables	1,576,971	-	-	1,576,971	1,576,971
<b>Total</b>	<b>1,675,641</b>	<b>-</b>	<b>-</b>	<b>1,675,641</b>	<b>1,675,641</b>

II **Financial risk management:**

**Financial risk factors:**

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.

a) **Market risk**

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.



II *Financial risk management (continued)*

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 15,289,270, USD 14,809,246 and USD 15,988,442 as of 31 March 2017, 31 March 2016 and 1 April 2015 respectively and unbilled revenue amounting to USD 156,843, USD 195,365 and USD 89,258 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, United Kingdom and other locations. 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	1,283,979	-	1,504,331	-	1,576,971	-
Other borrowings	-	-	37,968.00	-	66,126.00	32,544.00
Book credit in bank account	223,450	-	-	-	-	-

22) **Leases**

Operating lease

The Company is obligated under non-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 USD 1,098,142 (31 March 2016: USD 959,253). Expenses under non-cancellable operating leases for the year ended 31 March 2017 USD 1,269,644 (31 March 2016: USD 1,412,215 )

The future minimum lease payments in respect of non-cancelable operating leases are as follows:

	Amount in USD	
	As at 31 March 2017	As at 31 March 2016
Amount due within one year from the balance sheet date	983,977	1,098,142
Amount due in the period between one year and five years	2,894,666	3,878,643
Amount due in the period beyond five years	-	-
	<u>3,878,643</u>	<u>4,976,785</u>

*Finance lease*

The Company has acquired certain capital assets under finance lease. Future minimum lease payments under finance lease as at 31 March 2017 are as follows:

	(Amount in USD)
	Minimum lease payments
<i>As at 31 March 2017</i>	
Amount payable within one year from the balance sheet date	-
Amount payable in the period between one year and five years	-
	<u>-</u>
<i>As at 31 March 2016</i>	
Amount payable within one year from the balance sheet date	37,968
Amount payable in the period between one year and five years	-
	<u>37,968</u>



**Medassist Holdings LLC.**

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

for the year ended 31 March 2017

**24) 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.

**25) Capital and other commitments and contingent liabilities**

The Company has capital commitments of USD 52,383 (31 March 2016: USD 26,887) as at the balance sheet date. There are no contingent liabilities as at balance sheet date. (31 March 2016: Nil)

**26) 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.

**27) Subsequent events**

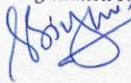
The Company evaluated subsequent events from the balance sheet date through 5 May 2017 and determined there are no material items to report.

As per our report of even date attached.

For SHELESH SINGHVI & CO.

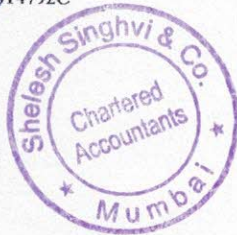
Chartered Accountants

Firm's Registration No: 014792C

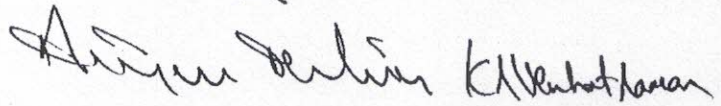


Shelesh Singhvi  
Partner

Membership No: 079817  
May 5, 2017  
Mumbai



For and on behalf of the Board of Directors



Arjun Mitra  
Director

Venkat Raman  
Director