

**MedAssist Holding, LLC.**

Special Purpose Financial statements  
together with the Independent Auditors' Report  
for the year ended 31 March 2018

# **MedAssist Holding, LLC.**

## **Special Purpose Financial statements together with the Independent Auditors' Report**

*for the year ended 31 March 2018*

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# MedAssist Holding, LLC.

## Balance sheet

as at 31 March 2018

(Currency : In US Dollar)

	<i>Note</i>	<b>31 March 2018</b>	31 March 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	491,141	429,901
Other intangible assets	3	215,554	191,533
Intangible assets under development		264,945	-
<b>Financial assets</b>			
Investments	4	-	-
Other financial assets	5(i)	64,142	49,784
Other non-current assets	6(i)	4,982	10,257
Income tax assets (net)	7	208,219	199,243
<b>Total non-current assets</b>		<b>1,248,983</b>	<b>880,718</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	19,731,681	15,301,439
Cash and cash equivalents	9	-	-
Other financial assets	5(ii)	24,843,136	12,188,305
Other current assets	6(ii)	808,818	499,125
<b>Total current assets</b>		<b>45,383,635</b>	<b>27,988,869</b>
<b>Total assets</b>		<b>46,632,618</b>	<b>28,869,587</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	11,531,137	11,531,137
Other equity		16,893,461	1,118,375
<b>Total equity</b>		<b>28,424,598</b>	<b>12,649,512</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables		4,825,669	3,546,000
Other financial liabilities	11	583,054	223,450
Provisions for employee benefits	12(ii)	969,067	714,731
Other current liabilities	13	387,952	293,616
Deferred Tax Liabilities (Net)	7	11,442,278	11,442,278
<b>Total current liabilities</b>		<b>18,208,020</b>	<b>16,220,075</b>
<b>Total equity and liabilities</b>		<b>46,632,618</b>	<b>28,869,587</b>
<b>Significant accounting policies</b>			
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 **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors

**G K Subramaniam**

Partner

Membership No: 109839

13 July 2018

Mumbai

**Arjun Mitra**

Director

**Venkat Raman**

Director

# MedAssist Holding, LLC.

## Statement of profit and loss

for the year ended 31 March 2018

(Currency : In US Dollar)

		Year ended	
	Note	31 March 2018	31 March 2017
<b>INCOME</b>			
Revenue from operations	14	<u>93,034,891</u>	80,510,341
<b>Total income</b>		<u>93,034,891</u>	80,510,341
<b>EXPENSES</b>			
Service Rendered by Business Associate and Others		<b>1,940,043</b>	1,066,668
Employee benefits expenses	15	<b>55,663,719</b>	50,432,414
Finance costs	16	<b>2,417,568</b>	3,904,092
Depreciation and amortization expense	3	<b>412,803</b>	450,482
Other expenses	17	<u>16,825,672</u>	16,036,805
<b>Total expenses</b>		<u>77,259,805</u>	71,890,461
<b>Profit before tax</b>		<b>15,775,086</b>	8,619,880
<b>Tax expense</b>			
Current tax	7	-	-
Deferred tax	7	-	-
<b>Profit for the year</b>		<u>15,775,086</u>	8,619,880
<b>Other comprehensive income</b>		-	-
<b>Total other comprehensive income, net of taxes</b>		-	-
<b>Total comprehensive income for the year</b>		<u>15,775,086</u>	8,619,880
Weighted average number of equity shares outstanding during the year			
Basic		<b>992</b>	992
Diluted		<b>992</b>	992
Earnings per equity share			
Basic		<b>15,902.30</b>	8,689.40
Diluted		<b>15,902.30</b>	8,689.40

### Significant accounting policies

The accompanying notes from 1 to 25 are an integral part of these financial statements.  
As per our report of even date attached.

### For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Firm's Registration No: 117366W/W-100018

### For and on behalf of the Board of Directors

### G K Subramaniam

Partner

Membership No: 109839

13 July 2018

Mumbai

### Arjun Mitra

Director

### Venkat Raman

Director

# MedAssist Holding, LLC.

## Statement of changes in equity

for the year ended 31 March 2018

(Currency : In US Dollar)

### Statement of Changes in Equity

	Equity share capital	Attributable to owners of the Company Reserve and Retained earnings	Total
Balance as at 1 April 2017	11,531,137	1,118,375	12,649,512
Profit for the year	-	15,775,086	15,775,086
<b>Balance as at 31 March 2018</b>	<b>11,531,137</b>	<b>16,893,461</b>	<b>28,424,598</b>

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

As per our report of even date attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

**For and on behalf of the Board of Directors**

**G K Subramaniam**

Partner

Membership No: 109839

**Arjun Mitra**

Director

**Venkat Raman**

Director

13 July 2018

Mumbai

# MedAssist Holding, LLC.

## Statement of cash flows

for the year ended 31 March 2018

(Currency : In US Dollar)

	31 March 2018	31 March 2017
<b><u>Cash flow from operating activities</u></b>		
<b>Profit before tax</b>	<b>15,775,086</b>	<b>8,619,880</b>
<b>Adjustments for</b>		
Depreciation and amortisation	<b>412,803</b>	450,482
Provision for doubtful debts written off / (written back)	<b>851,502</b>	242,699
Finance costs	<b>2,417,568</b>	3,904,092
<b>Operating cash flow before changes in working capital</b>	<b>19,456,959</b>	<b>13,217,153</b>
<b>Changes in working capital</b>		
Decrease / (increase) in trade receivables	<b>(5,281,744)</b>	(734,892)
Decrease in loans and advances and other assets	<b>(12,973,607)</b>	(7,635,690)
Increase in liabilities and provisions	<b>1,987,945</b>	(838,809)
<b>Net changes in working capital</b>	<b>(16,267,406)</b>	<b>(9,209,391)</b>
Income taxes paid	<b>(8,976)</b>	(33,426)
<b>Net cash generated from operating activities (A)</b>	<b>3,180,577</b>	<b>3,974,336</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase of property, plant and equipment and intangible assets	<b>(763,009)</b>	(339,323)
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>(763,009)</b>	<b>(339,323)</b>
<b><u>Cash flow from financing activities</u></b>		
Interest paid	<b>(2,417,568)</b>	(3,904,092)
<b>Net cash (used in) / used from financing activities (C)</b>	<b>(2,417,568)</b>	<b>(3,904,092)</b>
<b>Net Increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)</b>	<b>-</b>	<b>(269,079)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>	<b>269,079</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>

# MedAssist Holding, LLC.

## Statement of cash flows (Continued)

for the year ended 31 March 2018

### 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:

	31 March 2018	31 March 2017
Cash on hand		
Balances with banks	-	-
- in current accounts	-	-
	<hr/>	<hr/>
Cash and cash equivalents	-	-
	<hr/> <hr/>	<hr/> <hr/>

As per our report of even date attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

**For and on behalf of the Board of Directors**

**G K Subramaniam**

Partner

Membership No: 109839

**Arjun Mitra**

Director

**Venkat Raman**

Director

13 July 2018

Mumbai

# MedAssist Holding, LLC.

## Notes to the financial statements

for the year ended 31 March 2018

(Currency : In US Dollar)

### 1 Company overview

Medassist Holding, LLC. (the 'Company'), a Kentucky corporation, was formed in April 2003. The Company is a leading provider of revenue cycle management services in the healthcare industry. The Company is a wholly owned subsidiary of Firstsource Group USA Inc., which is a wholly owned subsidiary of Firstsource Solutions Limited.

#### **Basis of Preparation and Statement of Compliance**

These special purpose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (the 'Rules').

These special purpose financial statements have been prepared for the limited purpose of facilitating the preparation of the consolidated financial statements of Firstsource Solutions Limited, the Holding Company, as at and for the year ended March 31, 2018 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist Firstsource Solutions Limited, the Holding Company to comply with the requirements of section 129(3) of the Act.

These special purpose financial statements were approved by the Board of Directors of Firstsource Solutions Limited, the Holding Company, and authorised for issue on 7 May 2018.

### 2 Significant accounting policies

#### 2.1 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 2.1.1.



# MedAssist Holding, LLC.

## Notes to the financial statements

for the year ended 31 March 2018

(Currency : In US Dollar)

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

#### **2.1.1 Critical accounting estimates**

##### **a Income taxes**

The Company's major tax jurisdiction is United States of America. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note 2.8.

##### **b Property, plant and equipment and Intangible assets**

The charge in respect of periodic depreciation / amortisation 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.

#### **2.2 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 as services are rendered and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee based service contracts is recognised on achievement of performance milestones specified in the customer contracts. Unbilled receivables represent costs incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms of the contract.

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

For all instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

# MedAssist Holding, LLC.

## Notes to the financial statements

for the year ended 31 March 2018

(Currency : In US Dollar)

### 2 Significant accounting policies (Continued)

#### 2.3 Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the property, plant and equipment. Depreciation / amortisation on property, plant and equipment and intangible assets is provided pro-rata to the period of use based on management's best estimate of useful lives of the assets as summarised below:

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

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

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

#### 2.4 Impairment

##### a. Financial assets

The Company recognises 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

###### Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets and 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 Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

# MedAssist Holding, LLC.

## Notes to the financial statements

for the year ended 31 March 2018

(Currency : In US Dollar)

## 2 Significant accounting policies (Continued)

### 2.5 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 in the statement of profit and loss, 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.

### 2.6 Foreign currency transactions

#### **Functional currency**

The functional currency of the Company is the United States Dollars (\$) .

#### **Transactions and translations**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currency using the exchange rate in effect on the date of the transaction.

### 2.7 Employee benefits

#### a) *Defined Contribution Plans*

The Company has 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.

**2 Significant accounting policies (Continued)**

**2.7 Employee benefits (Continued)**

b) *Compensated absences*

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

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

**2.8 Taxation**

Income-tax expense comprises current tax (i.e. amount of tax for the year 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 recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recognised. The Income tax liability and deferred tax asset and liability is computed on combined basis and a combined return is filed for all subsidiaries of First Source Solutions Limited operating in the United States of America and the charge, the asset and the liability is accounted on a combined basis by Firstsource Group USA, Inc. (parent company in the United States of America) in its financial statements.

**2.9 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.

**2.10 Provisions and contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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

## **2.11 Financial instruments**

### **2.11.1 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.

### **2.11.2 Classification and subsequent measurement**

#### **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.

##### **ii) 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

##### **iii) 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.

##### **iv) 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.

## MedAssist Holding, LLC.

### Notes to the financial statements

for the year ended 31 March 2018

(Currency : In US Dollar)

## 2 Significant accounting policies (Continued)

### 2.11 Financial instruments (Continued)

#### 2.11.2 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.

##### vi) 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.

##### (b) Share capital

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

#### 2.11.3 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.

#### 2.11.4 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 realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

### 2.12 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 items 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.

### 2.13 Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived 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.

**2 Significant accounting policies (Continued)**

**2.14 Recent accounting pronouncements**

**Ind AS 21 Foreign currency transactions and advance consideration:**

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**Ind AS 115 Revenue from Contract with Customers:**

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The effect on adoption of Ind AS 115 on the financial statements is expected to be insignificant.

Mec MedAssist Holding, LLC.

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : In US Dollar)

3 Property, plant and equipment and Intangible assets	Tangible Asset						Intangible Asset	
	Computers	Service equipment	Office equipment	Furniture and Fixtures	Leasehold Improvements	Total	Software	Total
<b>Gross block (at deemed cost)</b>								
As at 1 April 2017	1,558,062	2,100,396	195,214	253,900	253,540	4,361,112	4,618,895	8,980,007
Additions / adjustments during the year	231,679	48,359	43,417	1,119	-	324,574	173,490	498,064
Deletions during the year	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>1,789,741</b>	<b>2,148,755</b>	<b>238,631</b>	<b>255,019</b>	<b>253,540</b>	<b>4,685,686</b>	<b>4,792,385</b>	<b>9,478,071</b>
<b>Accumulated depreciation / amortization</b>								
As at 1 April 2017	1,345,133	1,993,137	104,845	239,158	248,938	3,931,211	4,427,362	8,358,573
Charge for the year	142,632	66,276	41,550	9,451	3,425	263,334	149,469	412,803
On deletions / adjustments during the year	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>1,487,765</b>	<b>2,059,413</b>	<b>146,395</b>	<b>248,609</b>	<b>252,363</b>	<b>4,194,545</b>	<b>4,576,831</b>	<b>12,965,921</b>
<b>Net block</b>								
As at 31 March 2018	301,976	89,342	92,236	6,410	1,177	491,141	215,554	706,695
As at 31 March 2017	212,929	107,259	90,369	14,742	4,602	429,901	191,533	621,434

	Tangible Asset						Intangible Asset	
	Computers	Service equipment	Office equipment	Furniture and Fixtures	Leasehold Improvements	Total	Software	Total
<b>Gross block (at deemed cost)</b>								
As at 1 April 2016	1,586,317	2,100,396	154,039	252,283	253,540	4,346,575	4,548,901	8,895,476
Additions / adjustments during the year	188,569	-	41,175	1,617	-	231,361	69,994	301,355
Deletions during the year	216,824	-	-	-	-	216,824	-	216,824
<b>As at 31 March 2017</b>	<b>1,558,062</b>	<b>2,100,396</b>	<b>195,214</b>	<b>253,900</b>	<b>253,540</b>	<b>4,361,112</b>	<b>4,618,895</b>	<b>8,980,007</b>
<b>Accumulated depreciation / amortization</b>								
As at 1 April 2016	1,456,910	1,911,545	71,711	228,332	238,619	3,907,117	4,217,798	8,124,915
Charge for the year	105,047	81,592	33,134	10,826	10,319	240,918	209,564	450,482
On deletions / adjustments during the year	216,824	-	-	-	-	216,824	-	216,824
<b>As at 31 March 2017</b>	<b>1,345,133</b>	<b>1,993,137</b>	<b>104,845</b>	<b>239,158</b>	<b>248,938</b>	<b>3,931,211</b>	<b>4,427,362</b>	<b>8,358,573</b>
<b>Net block</b>								
As at 31 March 2017	212,929	107,259	90,369	14,742	4,602	429,901	191,533	621,434
As at 31 March 2016	129,407	188,851	82,328	23,951	14,921	439,458	331,103	770,561



MedAssist Holding, LLC.

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : In US Dollar)

31 March 2018 31 March 2017

4 Investments

**Non-current  
Unquoted  
Investments carried at cost (Investment in equity instruments of  
subsidiaries)**

Investment in Firstsource Solutions USA LLC	-	-
Investment in Firstsource Transcation Services, LLC	-	-

-	-
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5 Other financial assets

(Unsecured, considered good)

(i) Other non-current financial assets

Deposits	64,142	49,784
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64,142	49,784
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(ii) Other current financial assets

Unbilled revenue	-	156,843
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Advances to subsidiaries	24,843,136	12,031,462
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24,843,136	12,188,305
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6 Other assets

(Unsecured, considered good)

(i) Other non-current assets

Prepaid expenses	4,982	10,257
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4,982	10,257
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(ii) Other current assets

Prepaid expenses	808,818	499,125
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808,818	499,125
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7 Taxation

**Taxation**

**Deferred tax liability on account of:**

Property, Plant and Equipment and Intangible assets	(53,983)	(53,983)
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On goodwill and other amortisation	2,555,101	2,555,101
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Carry forward losses

Transfer on account of merger	8,941,160	8,941,160
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11,442,278	11,442,278
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**Income tax asset**

Advance tax and tax deducted at source (net)	208,219	199,243
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208,219	199,243
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8 Trade receivables

(Unsecured)

Considered doubtful	2,367,009	1,833,177
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Less: Impairment allowance	2,367,009	1,833,177
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-	-
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Considered good	19,731,681	15,301,439
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19,731,681	15,301,439
------------	------------

19,731,681	15,301,439
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a) Trade receivables are non interest bearing.

b) No trade or other receivables are due from directors or other officers of the Company, either severally or jointly

c) For receivables from related parties, refer note 20.

9 Cash and cash equivalents

Cash on hand

Balances with banks

-in Trust account	8,817	13,968
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Less: Current account balance held	(8,817)	(13,968)
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-	-
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# MedAssist Holding, LLC.

## Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : In US Dollar)

31 March 2018

31 March 2017

### 10 Share capital

<b>992 Voting common stock</b>	<b>10</b>	10
Net Additional Paid in capital	<b>9,504,889</b>	9,504,889
Net Retained earnings (Prior to Acquisition)	<b>2,026,238</b>	2,026,238
	<b>11,531,137</b>	11,531,137

#### a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	992	10	992	10
At the end of the year	992	10	992	10

#### b) Particulars of shareholders holding more than 5% equity shares

	31 March 2018		31 March 2017	
	Number of shares	% of total shares	Number of shares	% of total shares
Firstsource Group USA Inc.,	992	100%	992	100%

#### c) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

MedAssist Holding, LLC.

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : In US Dollar)

	31 March 2018	31 March 2017
<b>11 Other financial liabilities</b>		
<b>Other current financial liabilities</b>		
Book credit in bank account	583,054	223,450
	<u>583,054</u>	<u>223,450</u>
<b>12 Provision for employee benefits</b>		
<b>Current</b>		
Compensated absences	969,067	714,731
	<u>969,067</u>	<u>714,731</u>
<b>13 Other liabilities</b>		
<b>Other current liabilities</b>		
Statutory Dues	387,952	293,616
	<u>387,952</u>	<u>293,616</u>

MedAssist Holding, LLC.

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

for the year ended 31 March 2018

(Currency : In US Dollar)

	<b>Year ended</b>	
	<b>31 March 2018</b>	31 March 2017
<b>14 Revenue from operations</b>		
Sale of services	<b>93,034,891</b>	80,510,341
	<u><b>93,034,891</b></u>	<u>80,510,341</u>
<b>15 Employee benefits expense</b>		
Salaries and wages	<b>50,487,669</b>	45,747,973
Contribution to social security and other benefits	<b>294,550</b>	182,401
Staff welfare expenses	<b>4,881,500</b>	4,502,040
	<u><b>55,663,719</b></u>	<u>50,432,414</u>
<b>16 Finance cost</b>		
Interest expense	<b>2,417,568</b>	3,904,092
	<u><b>2,417,568</b></u>	<u>3,904,092</u>
<b>17 Other expenses</b>		
Rent	<b>1,826,340</b>	1,875,621
Car and other hire charges	<b>641,077</b>	674,376
Repairs, maintenance and upkeep	<b>283,696</b>	262,084
Electricity, water and power consumption	<b>5,241</b>	114,079
Computer expenses	<b>493,844</b>	649,622
Legal and professional fees	<b>2,356,314</b>	1,937,478
Connectivity charges	<b>1,215,569</b>	1,127,645
Recruitment and training expenses	<b>729,040</b>	498,856
Information and communication expenses	<b>4,058,369</b>	4,232,745
Travel and conveyance	<b>1,710,495</b>	1,718,691
Insurance	<b>360,053</b>	442,056
Printing and stationery	<b>185,874</b>	177,947
Marketing and Support fees	<b>524,455</b>	567,699
Allocated corporate cost	<b>1,175,386</b>	1,154,481
Rates and taxes	<b>300,794</b>	196,827
Bank administration charges	<b>85,217</b>	81,528
Miscellaneous expenses	<b>22,406</b>	82,371
Provision for doubtful debts/ written off/ (written back), net	<b>851,502</b>	242,699
	<u><b>16,825,672</b></u>	<u>16,036,805</u>

# MedAssist Holding, LLC.

## Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : In US Dollar)

### 18 Financial instruments

#### I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
<b>Financial assets</b>					
Trade receivables	19,731,681	-	-	19,731,681	19,731,681
Cash and cash equivalents	-	-	-	-	-
Other financial assets	24,907,278	-	-	24,907,278	24,907,278
<b>Total</b>	<b>44,638,959</b>	<b>-</b>	<b>-</b>	<b>44,638,959</b>	<b>44,638,959</b>
<b>Financial liabilities</b>					
Trade payables	4,825,669	-	-	4,825,669	4,825,669
Other financial liabilities	583,054	-	-	583,054	583,054
<b>Total</b>	<b>5,408,723</b>	<b>-</b>	<b>-</b>	<b>5,408,723</b>	<b>5,408,723</b>

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	15,301,439	-	-	15,301,439	15,301,439
Cash and cash equivalents	-	-	-	-	-
Other financial assets	12,238,089	-	-	12,238,089	12,238,089
<b>Total</b>	<b>27,539,528</b>	<b>-</b>	<b>-</b>	<b>27,539,528</b>	<b>27,539,528</b>
<b>Financial liabilities</b>					
Trade payables	3,546,000	-	-	3,546,000	3,546,000
Other financial liabilities	223,450	-	-	223,450	223,450
<b>Total</b>	<b>3,769,450</b>	<b>-</b>	<b>-</b>	<b>3,769,450</b>	<b>3,769,450</b>

Fair value hierarchy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2018 and 31 March 2017.

#### II. Financial risk management:

##### a) Market risk

The Company operates in the United States of America and there are no major transactions outside the United States of America. Hence, there is no significant foreign exchange 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 19,731,681 as at 31 March 2018 (31 March 2017 : USD 15,301,439) and unbilled revenue amounting to USD Nil as at 31 March 2018 (31 March 2017 : USD 156,843). 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 2018 and 31 March 2017:

	31 March 2018		31 March 2017	
	Less than 1 Year	More than 1 year	Less than 1 Year	More than 1 year
Trade payables	4,825,669	-	3,546,000	-
Other financial liabilities	583,054	-	223,450	-

# MedAssist Holding, LLC.

## Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : In US Dollar)

### 19 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 non-cancellable operating leases for the year ended 31 March 2018 aggregated to USD 877,861 (31 March 2017: USD 568,373).

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

	As at <b>31 March 2018</b>	As at 31 March 2017
Amount due within one year from the balance sheet date	<b>225,278</b>	656,636
Amount due in the period between one year and five years	<b>94,952</b>	541,455
Amount due in the period beyond five years	<b>320,230</b>	1,198,091

The Company also leases office facilities and residential facilities under cancellable operating leases that are renewable on a yearly basis at the option of both the lessor and lessee. Expenses under cancellable operating leases for the year ended 31 March 2018 is USD 426,222 (31 March 2017: USD 622,523).

MedAssist Holding, LLC.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : In US Dollar)

20 Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2018 are summarized below:

Ultimate Holding Company	CESC Limited
Holding Company	Firstsource Group USA Inc. Firstsource Solutions Limited
Fellow Subsidiaries	Firstsource Business Process Services LLC Firstsource Advantage LLC Firstsource Solution UK Limited Firstsource Process Management Services Limited Firstsource BPO Ireland Limited Firstsource Dialog Solutions (Private) Ltd. ISGN Fulfillment Services, Inc ISGN Fulfillment Agency.LLC ISGN Solutions, Inc. One Advantage LLC
Subsidiaries	Firstsource Solutions USA LLC Firstsource Transcation Services, LLC
Fellow Associate	Nanobi Data and Analytics Private Limited.
Directors	Venkat Raman Arjun Mitra

Particulars of related party transactions:

Name of the related party	Description	Transaction value during year ended	Transaction value during year ended	Receivable / (Payable) at	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Firstsource Solutions Limited	Service Rendered by Business Associate and Others	1,940,043	1,066,668		
	Recovery of expenses				
	Reimbursement of expenses	1,528,272	1,379,979		
	Receivable / (Payable)			(2,622,771)	(1,655,542)
Firstsource Group USA Inc	Reimbursement of expenses	2,986,569	4,375,426		
	Recovery of expense	78,415	830,834		
	Receivable / (Payable)			2,860,482	(3,165,755)
Firstsource Transcation Services LLC	Reimbursement of expenses	477,108	431,896		
	Recovery of expense	7,211,268	7,239,442		
	Receivable / (Payable)			21,497,349	14,633,201
Firstsource Advantage LLC	Reimbursement of expenses	115,205	550,241		
	Recovery of expense	332,561	725,271		
	Receivable / (Payable)			11,753	152,505
One Advantage LLC	Reimbursement of expenses	130,028	415,085		
	Recovery of expense	1,626,148	1,707,535		
	Receivable / (Payable)			62,249	646,434
ISGN Solutions, Inc.	Recovery of expense	262,820			
	Receivable / (Payable)			262,820	-
ISGN Fulfillment Services, Inc	Recovery of expense	1,350,636	1,420,618		
	Receivable / (Payable)			2,771,254	1,420,618

# MedAssist Holding, LLC.

## Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : In US Dollar)

### 21 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 Holding Company.

### 22 Computation for calculating basic and diluted earnings per share

	For year ended	
	31 March 2018	31 March 2017
Number of shares considered as basic weighted average shares outstanding	992	992
Number of shares considered as weighted average shares and potential shares outstanding	992	992
Net profit after tax attributable to shareholders	15,775,086	8,619,880
Net profit after tax for diluted earnings per share	15,775,086	8,619,880

### 23 Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 118,483 (31 March 2017: USD 52,383) as at the balance sheet date and there are no contingent liabilities as at Balance sheet date. (31st March 2017 : Nil)

### 24 Long-term contracts

The Company has a process whereby yearly all long-term contracts are assessed for material foreseeable losses. At the year 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 has been made in the books of account.

### 25 Subsequent events

The Company evaluated subsequent events from the balance sheet date through 13 July 2018 and determined there are no material items to report.

As per our report of even date attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

**For and on behalf of the Board of Directors**

**G K Subramaniam**

Partner

Membership No: 109839

13 July 2018

Mumbai

**Arjun Mitra**

Director

**Venkat Raman**

Director