

SHELESH SINGHVI & CO.

CHARTERED ACCOUNTANTS

Mumbai Office: E-702, DHEERAJ JAMUNA CO OPERATIVE HOUSING SOCIETY, CHINCHOLI BUNDER
ROAD, MALAD (WEST),
MUMBAI (TEL: 9322676819, 9773756991)

To,

The Board of Directors,

Firstsource Solutions Limited,

Mumbai

We have reviewed the attached balance sheet of **Firstsource Advantage LLC** ("the Company") as at March 31st, 2013 and the Profit & Loss account for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. These financials are prepared to comply with requirements of section 212 of Companies Act, 1956.

We conducted our review in accordance with the Standard of Review Engagements (SRE) 2400, engagements to review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon are in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance sheet, of the state of affairs of the Company as at 31st March; 2013.
- ii) in the case of the Profit & Loss account, of the loss of the Company for the year ended on that date.

For Shelesh Singhvi & Co.

Chartered Accountants

Firm Registration No.14792C

Praveena Jain

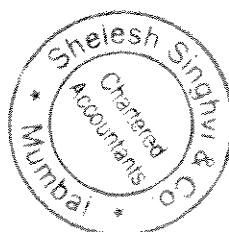
PRAVEENA JAIN

Partner

Membership No: 402256

Place: Mumbai

Date: 7th May, 2013



Firstsource Advantage LLC
Balance Sheet
as at 31 March 2013

	Note	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
Share capital	3	542,850	542,850	10,000	10,000
Reserves and surplus	4	820,893,645	837,074,594	15,121,925	15,419,998
		821,436,495	837,617,444	15,131,925	15,429,998
Other Non current liabilities	5	14,666,667	16,181,599	270,179	298,066
Trade payables	6	174,933,794	239,123,549	3,222,506	4,404,965
Other current liabilities	7	15,719,017	16,512,753	289,563	304,166
		190,652,811	255,636,301	3,512,071	4,709,152
		1,026,755,973	1,109,435,345	18,914,175	20,437,236
Tangible assets	8	40,234,027	57,666,545	741,162	1,062,293
Intangible assets		36,973,723	47,495,864	579,262	874,935
		77,107,750	105,162,409	1,420,424	1,937,228
	9	32,571,000	-	600,000	-
		485,370,959	485,370,959	8,941,162	8,941,162
	10	9,569,081	6,907,789	178,118	127,250
		572,147,790	597,441,157	10,539,704	11,005,640
Trade receivables	11	219,676,616	242,936,251	4,046,728	4,475,200
Cash and bank balances	12	121,908,980	206,521,962	2,245,721	3,804,462
Short term loans and advances	13	19,172,207	30,380,302	353,177	559,645
Other current assets	14	61,279,379	32,155,673	1,128,845	592,349
		422,037,182	511,994,188	7,774,471	9,431,596
		1,026,755,973	1,109,435,345	18,914,175	20,437,236

Significant accounting policies

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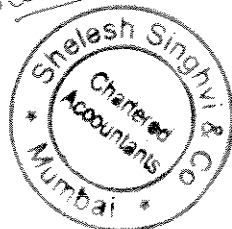
The accompanying notes from 1 to 28 form an integral part of the financial statement.

As per our report of even date attached.

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

Praveena Jain
Praveena Jain
Partner
Membership No: 402256

Mumbai
07 May 2012



For and on behalf of the Board of Directors

Arjun Mitra *Kimberly Nestark*
Arjun Mitra Kimberly Nestark
Manager Manager

Firstsource Advantage LLC
Statement of profit and loss
for the year ended 31 March 2013

	Note	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2013	For the year ended 31 March 2012
Income					
Revenue from operations	15	2,828,316,773	2,853,755,066	52,101,258	52,589,864
Other income	16	3,355,475	7,832,934	61,812	144,293
		2,831,672,248	2,861,588,000	52,163,070	52,714,157
Expenses					
Cost of Sales		384,817,489	432,182,264	7,088,837	7,961,357
Employee benefits expense	17	1,624,289,473	1,637,832,929	29,921,515	30,171,004
Finance cost	18	301,644	1,220,624	5,557	22,485
Depreciation and amortization	8	42,208,868	45,368,443	777,542	835,745
Other expenses	19	796,235,719	732,014,920	14,667,693	13,457,070
		2,847,853,193	2,848,619,180	52,461,144	52,447,661
Profit Before Taxation		(16,180,944)	12,968,820	(298,074)	266,496
Less : Provision for taxation		-	-	-	-
Profit After Taxation		(16,180,944)	12,968,820	(298,074)	266,496
Earnings per share					
Weighted average number of equity shares outstanding during the year					
- Basic and diluted		10,000	10,000	10,000	10,000
Nominal Value Per Share		54.285	54.285	1	1
Earning per share					
- Basic and diluted		(1,618.09)	1,296.88	(29.81)	26.65

Significant accounting policies

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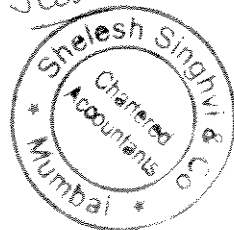
The accompanying notes from 1 to 28 form an integral part of the financial statement.

As per our report of even date attached.

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

Praveena Jain
 Praveena Jain
 Partner
 Membership No: 402256

Mumbai
 07 May 2012



For and on behalf of the Board of Directors

Arjun Mitra *Kimberly Nestark*
 Arjun Mitra Kimberly Nestark
 Manager Manager

Firstsource Advantage LLC
Cash flow statement
for the year ended 31 March 2013

	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Cash flow from operating activities				
Net profit after tax	(16,180,950)	14,466,696	(298,074)	266,495
Adjustments for				
Depreciation and amortization	42,208,868	45,368,443	777,542	835,745
Provision for doubtful debts / (written back)	4,787,339	850,417	88,189	15,666
(Profit) / loss on sale of fixed assets net	15,262	-	281	-
Interest costs	301,644	1,220,624	5,557	22,485
Operating cash flow before changes in working capital	31,132,163	61,906,181	573,495	1,140,391
Changes in working capital				
Decrease in trade receivables	18,472,298	1,229,206	340,284	22,644
Decrease / (Increase) in Loans and advances and unbilled receivables	(20,676,831)	169,821,487	(360,894)	3,128,332
Increase / (Decrease) in Current liabilities and provisions	(66,498,603)	(470,482,155)	(1,224,991)	(8,666,891)
Net changes in working capital	(68,703,136)	(299,431,462)	(1,265,601)	(5,515,915)
Income taxes paid	-	-	-	-
Net cash (used in) / generated from operating activities (A)	(37,570,975)	(237,525,281)	(692,106)	(4,375,524)
Cash flow from investing activities				
Capital expenditure	(14,168,363)	(54,909,820)	(261,018)	(1,011,510)
Investment in subsidiary	(32,571,000)	-	(600,000)	-
Net cash generated from / (used in) investing activities (B)	(46,740,363)	(54,909,820)	(861,918)	(1,011,510)
Cash flow from financing activities				
Interest paid	(301,644)	(1,220,516)	(5,557)	(22,483)
Net cash used in financing activities (C)	(301,644)	(1,220,516)	(5,557)	(22,483)
Net (decrease) / Increase in cash and cash equivalents (A+B+C)	(84,612,982)	(293,655,617)	(1,558,681)	(5,409,517)
Cash and cash equivalents at the beginning of the year*	206,521,962	500,177,580	3,804,402	9,213,919
Cash and cash equivalents at the end of the year*	121,908,980	206,521,962	2,245,721	3,804,402

* Refer note 11 for components of cash and cash equivalents.

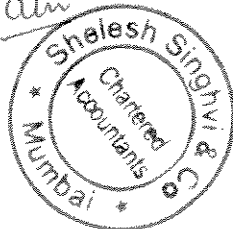
As per our report of even date attached.

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

Praveena Jain
Praveena Jain
Partner

Membership No: 402256

Mumbai
07 May 2013



For and on behalf of the Board of Directors

Arjun Mitra
Arjun Mitra
Manager

Kimberly Nestak
Kimberly Nestak
Manager

Firstsource Advantage LLC

Notes to the financial statements as at 31 March 2013

1 Background

Firstsource Advantage LLC ('the Company') was incorporated under the laws of the State of New York on April 27, 1995 for the purpose of providing debt collection services to major credit card issuers and banks throughout the United States. Credit is granted to primarily all of its customers.

On September 22, 2004, 100% of the membership units were sold to FirstRing Inc. (merged with Firstsource Business Process Services LLC, a subsidiary of Firstsource Group USA, Inc), a subsidiary of Firstsource Solutions Limited, which has its corporate office located at Mumbai, India. The Company also holds 100% voting rights in Twin Lakes Property LLC I and Twin Lakes Property LLC II, which entitles the Company to receive dividend.

Further with effect from October 1, 2011, Firstsource Financial Services LLC, a subsidiary of Medassist Holdings Inc. was merged with the company.

During the year company acquired Voting Interest in Twin Lake Property LLC II 80% effective 1st April 2012 & 20% effective 31st December 2012. Company acquired remaining 20% interest in Twin Lake Property LLC I effective from 31st December 2012. Twin Lake Property LLC I & Twin Lake Property LLC II as Wholly Owned subsidiaries of the company as on 31st March 2013.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of Firstsource Advantage LLC. ('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'). However, for the purpose of compliance with the requirements of Section 212 of the Act, amounts for both years in these financial statements have been translated into Indian rupees at the closing rate on 31 March 2013 which is 1 USD = Rs 54.285. No representation is made that USD amounts have been, could have been or could be converted into Indian rupees at such a rate.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amount of income and expense for the year. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue recognition

Revenue from operations comprises debt collection services to major credit card issuers and banks and is billed in accordance with the contractual terms specified in the respective



Firstsource Advantage LLC

Notes to the financial statements

as at 31 March 2013

2 Significant accounting policies (Continued)

2.3 Revenue recognition (continued)

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.

2.4 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the fixed assets. Depreciation on fixed assets is provided, using the straight line basis, pro rata to the period of use based on management's best estimate of useful lives of the assets (which are shorter than those prescribed under the Companies Act, 1956) as summarized below:

Asset	Useful life (in years)
<i>Intangible</i>	
Software	3 – 4
<i>Tangible</i>	
Computers	3 – 4
Network	3 – 5
Office furniture and equipment	3 – 5
Leasehold improvements	Lease term or 5 years, whichever is shorter

Software purchased together with the related hardware is capitalized and depreciated at the rates applicable to related assets.

Individual assets costing upto Rs. 5,000 are depreciated in full in the year of purchase.

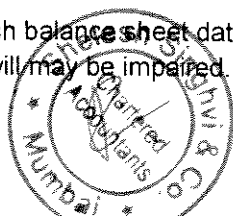
2.5 Impairment of assets

a) Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or Company of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

b) Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that a non financial asset including goodwill may be impaired. If any such indication exists, the Company



Firstsource Advantage LLC

Notes to the financial statements

as at 31 March 2013

2 Significant accounting policies (Continued)

2.5 Impairment of assets (Continued)

b) Non-financial assets (Continued)

estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

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.

2.7 Taxation

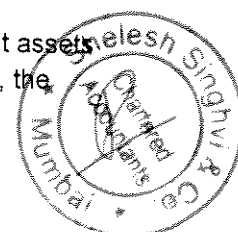
Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. The tax liability is computed on a consolidated basis and hence the tax liabilities for the company have been included in the financial statements of the parent company ie Firstsource Group USA, Inc.

2.8 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 the 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.



Firstsource Advantage LLC

Notes to the financial statements
as at 31 March 2013

2 Significant accounting policies (Continued)

2.9 Leases

Operating lease

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

2.10 Retirement benefits

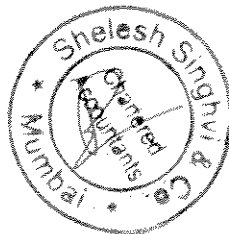
Contributions payable to the social security, medicare and other employee related contributions as required under the State of New York are charged to the statement of profit and loss.

2.11 Investments

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less other than any temporary diminution in value, determined separately for each investment.

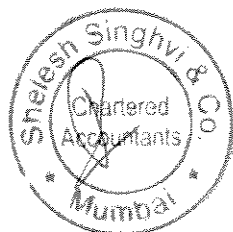
Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.



Firstsource Advantage LLC
Notes to the accounts

as at 31 March 2013

	Amount in Rupees		Amount in USD			
	31 March 2013	31 March 2012	31 March 2013	31 March 2012		
3) Share capital						
Authorised : 10,000 units (31 March 2012: 10,000 Units) of USD 1 each	542,850	542,850	10,000	10,000		
Issued, subscribed and paid up 10,000 units (31 March 2012: 10,000 Units) of USD 1 each	542,850	542,850	10,000	10,000		
	542,850	542,850	10,000	10,000		
a. Reconciliation of number of units	31-Mar-13		31-Mar-12			
	No. of units	Amount in Rupees	Amount in USD	No. of units	Amount in Rupees	Amount in USD
Units outstanding at the beginning of the year	10000	542850	10000	10000	542850	10000
Units outstanding at the end of the year	10000	542850	10000	10000	542850	10000
b. Details of holding more than 5% shares in the Company	31 March 2013		31 March 2012			
	No. of Units	% of holding	No. of Units	% of holding		
Firstsource Business Process Services LLC (Holding company)	10,000	100	10,000	100		
c. Rights, Preferences & Restriction attached to Units	The Company has a single class of units. Accordingly, all unit holders rank equally with regard to dividends and share in the Company's residual assets. The unit holders are entitled to receive dividend as declared from time to time. The voting rights of an unit holder are in proportion to its share of the units of the Company. On winding up of the Company, the unit holders will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of units held.					
4) Reserves and surplus	Amount in Rupees		Amount in USD			
	31 March 2013	31 March 2012	31 March 2013	31 March 2012		
Balance in statement of profit and loss						
Balance at the beginning of the year	837,074,593	49,882,715	15,419,998	918,904		
Add : Additions during the year	(16,180,949)	14,466,751	(298,074)	266,496		
Add : - Transfer from FFS on merger	-	772,725,127	-	14,234,598		
Balance at the end of the year	820,893,644	837,074,593	15,121,924	15,419,998		
5) Long Term Provisions						
Compensated Absences	14,666,667	16,181,599	270,179	298,086		
	14,666,667	16,181,599	270,179	298,086		
6) Trade payables						
Trade payables for services and expenses	174,933,794	239,123,549	3,222,506	4,404,965		
	174,933,794	239,123,549	3,222,506	4,404,965		
7) Other current liabilities						
Amount payable to group companies (Net)	8,547,441	3,985,105	157,455	73,411		
Others						
Statutory Dues	3,495,924	8,482,276	64,399	156,255		
Employee Benefits Payable	3,675,652	4,045,372	67,710	74,521		
	15,719,017	16,512,753	289,563	304,186		

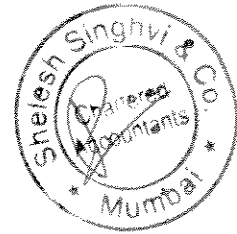


Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2013

8) Fixed Assets

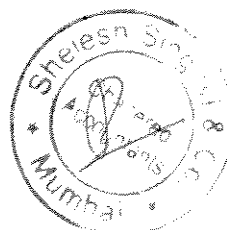
	Tangible Assets				Intangible assets				Grand Total
	Computers	Network	Office furniture and equipment	Leasehold improvements	Total	Software	Goodwill	Total	
Gross Block									
As at 1 April 2012	127,659,218	166,741,245	180,393,281	57,587,210	532,380,954	201,949,026	-	201,949,026	734,329,981
Additions during the year	2,044,149	4,297,303	707,273	-	7,048,725	7,120,748	-	7,120,748	14,169,473
Additions on account of merger	-	-	-	-	-	-	-	-	-
Deletions during the year	-	-	2,460,096	610,571	3,070,667	-	-	-	3,070,667
As at 31 March 2013	129,703,367	171,038,548	178,640,459	56,976,639	536,359,012	209,069,774	-	209,069,774	745,428,787
Accumulated depreciation / amortization									
As at 1 April 2012	119,103,357	140,393,056	166,538,247	48,679,750	474,714,410	154,453,162	-	154,453,162	629,167,572
Accumulated depreciation on account of merger	-	-	-	-	-	-	-	-	-
Charge for the year	6,181,652	8,170,955	6,024,752	4,068,621	24,465,980	17,742,889	-	17,742,889	42,208,869
On deletions during the year	-	-	2,460,096	595,309	3,055,405	-	-	-	3,055,405
As at 31 March 2013	125,285,009	148,564,011	170,102,904	52,173,062	496,124,985	172,196,051	-	172,196,051	668,321,037
Net Block (INR)	4,418,358	22,474,537	8,537,555	4,803,577	40,234,027	36,873,723	-	36,873,723	77,107,750
As at 31 March 2012 (INR)	8,555,861	26,348,189	13,855,034	8,907,460	57,666,545	47,495,864	-	47,495,864	105,162,409
Net Block (USD)	81,392	414,010	157,272	88,488	741,162	679,262	-	679,262	1,420,424
As at 31 March 2012 (USD)	157,610	485,368	255,229	164,087	1,062,293	874,935	-	874,935	1,937,228



Firstsource Advantage LLC
Notes to the accounts

as at 31 March 2013

	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
9) Non-Current investments				
Non-Trade				
Investments in subsidiaries (Unquoted)				
Investment in Twiniakes Property LLC - I & Twin Lakes Property LLC - II (100% Interest)	32,571,000	-	600,000	-
	32,571,000	-	600,000	-
9) Long-term loans and advances				
(Unsecured, considered good)				
Deposits	9,011,508	6,531,322	166,004	120,315
Prepaid expenses	657,573	376,467	12,114	6,935
	9,669,081	6,907,789	178,118	127,250
10) Trade receivables				
(unsecured)				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	-	-
Considered doubtful	8,437,878	3,650,539	155,437	67,248
Less : Provision for doubtful debts	8,437,878	3,650,539	155,437	67,248
Other receivables	-	-	-	-
Considered good	219,676,616	242,936,251	4,046,728	4,475,200
	219,676,616	242,936,251	4,046,728	4,475,200
	219,676,616	242,936,251	4,046,728	4,475,200
11) Cash and bank balances				
Cash and cash equivalents				
Balance with banks:				
in Trust accounts	406,698,744	360,421,593	7,491,918	6,639,433
in Current accounts	121,908,980	206,521,962	2,245,721	3,804,402
Less: balance held in trust accounts	528,607,724	566,943,555	9,737,639	10,443,834
	406,698,744	360,421,593	7,491,918	6,639,433
	121,908,980	206,521,962	2,245,721	3,804,402
12) Short term loans and advances				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received	-	200,124	-	3,687
Prepaid Expenses	19,172,207	30,180,178	353,177	555,958
	19,172,207	30,380,302	353,177	559,645
13) Other current assets				
Receivable Held in Trust Account (Net of Due to Client)	33,598,579	32,155,673	618,929	592,349
Unbilled receivables	27,680,800	-	509,916	-
	61,279,379	32,155,673	1,128,845	592,349

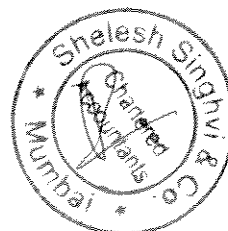


Firstsource Advantage LLC

Notes to the accounts

for the year ended 31 March 2012

	Amount in Rupees		Amount in USD	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
14) Revenue from operations				
Sale of Services	2,828,316,773	2,853,755,066	52,101,258	52,569,864
	2,828,316,773	2,853,755,066	52,101,258	52,569,864
15) Other income				
Dividend received from Twin Lakes Property LLC - I & II	3,324,753	7,720,772	61,246	142,227
Interest Income	30,722	-	566	-
Miscellaneous receipts	-	112,162	-	2,066
	3,355,475	7,832,934	61,812	144,293
16) Employee benefits expense				
Salaries and wages	1,527,075,696	1,540,368,221	28,130,712	28,375,577
Contribution to provident and other funds	6,334,885	6,497,062	116,697	119,684
Staff welfare expenses	90,878,891	90,967,646	1,674,106	1,675,742
	1,624,289,471	1,637,832,929	29,921,515	30,171,004
17) Finance cost				
Interest expense	301,644	1,220,624	5,557	22,485
	301,644	1,220,624	5,557	22,485
18) Other Expenses				
Insurance	11,955,757	10,272,902	220,241	189,240
Travelling and conveyance	16,731,693	15,206,736	308,219	280,128
Electricity, water and power consumption	6,486,092	9,208,191	119,482	169,627
Legal and professional fees	107,158,955	99,041,931	1,974,007	1,824,481
Rent	87,070,447	76,849,206	1,603,950	1,415,662
Rates and taxes	7,421,552	7,421,552	136,715	109,122
Information services and computer expenses	107,725,436	125,087,724	1,984,442	2,304,278
Car hire charges and other hire charges	5,699,430	3,497,172	104,991	64,422
Communication expenses	253,172,556	201,616,972	4,663,766	3,714,046
Bad debts written off / provision for doubtful accounts	4,787,339	850,417	88,189	15,666
Membership fees	429,235	389,710	7,907	7,179
Common corporate expenses	54,931,519	62,392,945	1,011,910	1,149,359
Recruitment and training expenses	12,554,266	11,155,510	231,266	205,499
Printing and stationery	8,464,816	10,141,859	155,933	186,826
Marketing and support services	4,421,477	4,990,165	81,449	91,925
Miscellaneous expenses	393,834	817,891	7,255	15,067
Repairs and maintenance - others	26,840,679	25,495,827	494,440	469,666
Software expenses	22,112,345	11,760,818	407,338	216,649
Service Charge	332,862	-	6,132	-
Bank administration charges	57,401,172	55,817,392	1,057,404	1,028,228
(Gain)/Loss on sale of Fixed assets including Write Off	15,262	-	281	-
Exchange (Gain) / Loss	128,995	-	2,376	-
	796,235,719	732,014,920	14,667,693	13,457,070



Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2013

20. Leases

Operating Lease

The Company has taken office facilities under non-cancelable operating leases. The Company intends to renew such leases in the normal course of its business. Rental expenses under cancelable operating leases aggregating to Rs. 56,514,193 equivalent to USD 1,041,065 (Previous year: Rs 50,316,929 equivalent to USD 926,903) have been debited to the profit and loss account.

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

	Amount in Rupees		Amount in USD	
	2013	2012	2013	2012
Amount due within one year from the balance sheet date	56,514,193	56,514,214	1,041,065	1,041,065
Amount due in the period between one year and five years	233,294,947	249,013,166	4,297,595	4,587,145
Amount due after the period of five years	172,431,153	158,722,012	3,176,405	2,923,865
	<u>462,240,293</u>	<u>464,249,392</u>	<u>8,515,065</u>	<u>8,552,075</u>

21. Transfer pricing

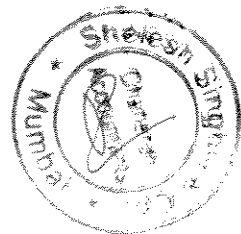
The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Accordingly, the company's management believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended 31 March 2013, particularly on the amount of tax expense and that of the provision for taxation.

22. Capital commitments

The Company has capital commitments of Rs. 21,117 in USD 389 (31 March 2012: Nil) as at the balance sheet date.

23. Supplementary statutory information (accrual basis)

	31 March 2013	31 March 2012
(i). <i>Earnings in foreign exchange</i>		
Income from services	65,359	2,650
Other income	-	7,767
(ii). <i>Expenditure in foreign currency</i>		
Employee cost	2,716	-
Travel and conveyance	309	-
Printing and stationery	22,627	-
Other expenses	5,963	3.19



Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2013

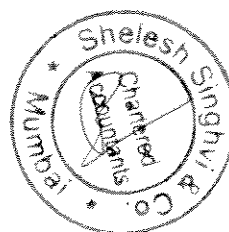
24. Contingent liabilities

The Company has no contingent liabilities as at the balance sheet date (31 March 2012: Nil)

25. Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2013 are summarized below:

Ultimate Holding Company	• Firstsource Solutions Ltd
Holding Company	• Firstsource Business Process Services LLC
Parties with substantial interests	• Firstsource Group USA Inc.
	• RevIT Systems Private Ltd
	• Firstsource Transaction Services LLC
	• Firstsource Solutions USA LLC
	• Firstsource Solution UK Limited
	• Anunta Tech Infrastructure Services Limited
	• MedAssist Holding, Inc.,
Subsidiary	• Twin Lake Property LLC - I
	• Twin Lake Property LLC - II



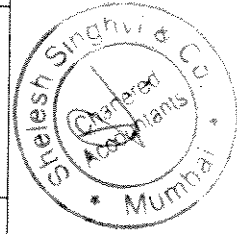
Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2013

25. Related Party Transactions (continued)

Particulars of related party transactions during the year ended 31 March 2013

Name of the related party	Description	Transaction value during the year ended (In Rupees)		Transaction value during the year ended (In USD)		Receivable / (Payable) (In Rupees)		Receivable / (Payable) (In USD)	
		2013	2012	2013	2012	2013	2012	2013	2012
Firstsource Solutions Ltd	Cost of Sales	427,828,308	427,778,720	7,881,151	7,880,238	42,090,629	84,961,833	775,364	1,565,107
	Recovery of expenses	36,377,112	5,269,336	670,114	97,068	33,191,910	906,722	611,438	16,703
	Reimbursement of expenses	3,444,853	47,778,671	63,458	880,145	-	(47,041,807)	-	(866,571)
RevIT systems Pvt. Limited	Cost of Sales	643,603	-	11,856	-	-	-	-	-
	Reimbursement of expenses (Net of Recovery of Services)	115,219,105	39,582,773	983,031	729,166	51,114,539	1,38,682,052	941,596	2,554,703
Firstsource Group USA Inc.	Reimbursement of expenses (Net of Recovery of Services)	63,725,107	79,545,168	1,173,899	1,465,325	(5,755,296)	(17,136,092)	(106,020)	(315,669)
Firstsource Solution USA LLC	Reimbursement of expenses	794,841	639,694	14,642	11,783.55	(16,719)	(639,694)	(308)	(11,784)
Firstsource Solution UK Limited	Reimbursement of expenses (Net of Recovery of Services)	110,850	6,336,579	2,042	116,728	-	(27,159,925)	-	(500,321)
Firstsource Transaction services									

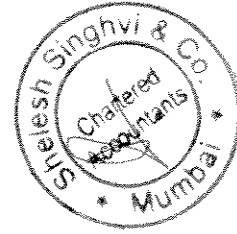


Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2013

25. Related Party Transactions (continued)

Name of the related party	Description	Transaction value during the year ended (In Rupees)		Transaction value during the year ended (In USD)		Receivable / (Payable) (In Rupees)		Receivable / (Payable) (In USD)	
Twin Lake Property I LLC	Rental Expense	25,106,813	25,106,813	462,500	462,500	-	-	-	-
	Dividend Received	-	3,235,994	-	142,227	-	-	-	-
Twin Lake Property II LLC	Rental Expense	20,440,094	19,819,291	376,533	365,097	-	-	-	-
	Dividend Received	3,323,287	4,484,015	61,219	82,601	-	-	-	-
Twin Lake Property I LLC & Twin Lake Property II LLC	Investment	32,571,000	-	600,000	-	32,571,000	-	600,000	-



Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2013

26. Segmental Reporting

The company has no separate identifiable segment and in accordance with paragraph 4 of Accounting Standard 17 "Segment Reporting" prescribed in the companies (Accounting Standards) Rules, 2006, issued by the central government, the Company has presented segmental information in the consolidated financial statements (refer Note 32 of the consolidated financial statements)

27. There are no Micro, Small and Medium Enterprises to whom the Company Owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Developments Act, 2006 has been determined to the extent such parties have been identified on the Basis of information available with the Company.

28. Previous year's figures have been appropriately regrouped/ reclassified to conform to current year's presentation.

As per our report of even date attached

For SHELESH SINGHVI & CO.

Chartered Accountants

Firm's registration no: 014792C

Praveena Jain

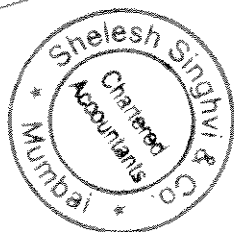
Praveena Jain

Partner

Membership No: 402256

Mumbai

07 May 2013



For and on behalf of the Board of Directors

Arjun Mitra *Kimberly Nestark*

Arjun Mitra
Manager

Kimberly Nestark
Manager