

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 Group USA, Inc** ("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

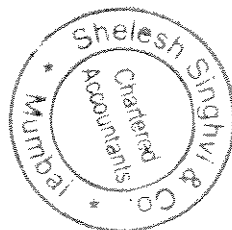
PRAVEENA JAIN

Partner

Membership No: 402256

Place: Mumbai

Date: 7th May, 2013



Firstsource Group USA, Inc.
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
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	3	11,860,350	11,860,350	218,483	218,483
Reserves and Surplus	4	11,451,497,991	11,652,175,908	210,951,423	214,648,169
		11,463,358,341	11,664,036,258	211,169,906	214,866,652
Non-current liabilities					
Long-term borrowings	5	7,325,760,750	9,771,300,000	134,950,000	180,000,000
Deferred tax liabilities, net	6	657,189,491	509,553,991	12,106,282	9,386,644
Long-term provisions	7	2,666,732	-	49,125	-
		7,985,616,973	10,280,853,991	147,105,407	189,386,644
Current liabilities					
Trade payables	8	64,765,377	93,088,817	1,193,062	1,714,817
Other current liabilities	9	2,559,956,169	99,106,789	47,157,708	1,825,676
Short-term provisions	10	13,205,443	9,124,871	243,260	168,092
		2,637,926,988	201,320,476	48,594,030	3,708,585
		22,086,902,301	22,146,210,725	406,869,343	407,961,881
ASSETS					
Non current assets					
Fixed assets					
Tangible assets	11	6,996,056	37,695,221	128,876	694,395
Intangible assets		2,246,237	28,771,567	41,379	530,010
		9,242,293	66,466,789	170,255	1,224,404
Non-current investments	12	20,389,805,584	20,389,805,584	375,606,624	375,606,624
Long-term loans and advances	13	426,958,580	379,672,974	7,865,129	6,994,068
		20,816,764,164	20,769,478,558	383,471,753	382,600,692
Current assets					
Current investments					
Trade receivables	14	175,047,403	219,817,666	3,224,601	4,049,326
Cash and cash equivalents	15	177,210,162	208,626,925	3,264,441	3,843,178
Short-term loans and Advances	16	811,630,713	793,934,530	14,951,289	14,625,302
Other current assets	17	97,007,567	87,886,258	1,787,005	1,618,979
		1,260,895,844	1,310,265,378	23,227,335	24,136,785
		22,086,902,301	22,146,210,725	406,869,343	407,961,881

Significant accounting policies

2

The accompanying notes from 1 to 31 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

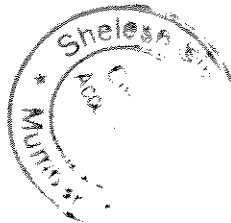
Praveena Jain

Partner

Membership No: 402256

Mumbai

07 May 2013



For and on behalf of the Board of Directors

Rajesh Subramaniam
Rajesh Subramaniam
Director

Donald Layden
Director

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Firstsource Group USA, Inc.
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
		2013	2012	2013	2012
Revenue from operations	18	1,946,043,387	1,932,197,169	35,848,639	35,593,574
Other Income	19	194,104,461	427,254,747	3,575,656	7,870,586
		2,140,147,848	2,359,451,916	39,424,295	43,464,160
Expenses					
Cost of sales		836,665,311	1,097,381,055	16,445,510	20,215,180
Employee benefits expense	20	793,948,693	748,071,210	14,625,563	13,780,440
Finance cost	21	101,285,401	110,157,684	1,865,808	2,029,247
Depreciation and amortisation	11	29,212,084	78,878,357	1,160,876	1,453,041
Other expenses	22	321,893,429	349,599,380	5,929,694	6,440,074
		2,083,004,920	2,384,087,687	40,027,452	43,917,984
(Loss) / Profit before taxation		57,142,927	(24,635,772)	(603,157)	(453,824)
Provision for Tax					
Current tax		20,300,035	18,999,340	373,953	349,992
Deferred tax		147,635,440	27,791,856	2,719,636	511,962
(Loss) / Profit after taxation		(110,792,548)	(71,426,968)	(3,696,746)	(1,315,778)
Earnings per share					
Weighted average number of equity shares outstanding during the year					
Basic and diluted		218,483	218,483	218,483	218,483
Nominal Value Per Share		54.2850	54.2850	1	1
Earning per share					
Basic and diluted		(507.10)	(326.92)	(16.92)	(6.02)

Significant accounting policies

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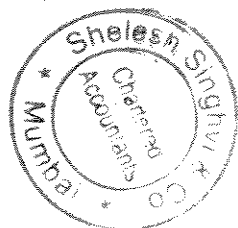
The accompanying notes from 1 to 31 form an integral part of the financial statement.

As per our report of even date attached.

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

Praveena Jain
Partner
Membership No: 402256

Mumbai
07 May 2013



For and on behalf of the Board of Directors

Rajesh Subramaniam
Director

Donald Layden
Director

Firstsource Group USA, Inc
Cash flow statement
for the year ended 31 March 2013

	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
	2013	2012	2013	2012
Cash flow from operating activities				
Net (loss) / profit after tax	(200,677,876)	(71,427,008)	(3,696,746)	(1,315,778)
Adjustments for				
Depreciation and amortization	63,018,172	78,878,357	1,160,876	1,453,041
Provision for current tax	20,300,035	18,999,340	373,963	349,992
Deferred taxes	147,635,440	27,791,856	2,719,636	511,962
Provision for doubtful debts / (written back)	(668,858)	-	(12,321)	-
Interest costs	101,285,401	110,157,684	1,865,808	2,029,247
Interest and dividend income	(191,732,997)	(427,243,794)	(3,531,970)	(7,870,384)
Operating cash flow before changes in working capital	(60,840,683)	(262,843,565)	(1,120,764)	(4,841,918)
Changes in working capital				
(Increase) / Decrease in trade receivables	45,439,067	(61,597,791)	837,046	(1,134,711)
Decrease in Loans and advances and other assets	(102,859,033)	725,055,919	(1,894,797)	13,356,469
Increase / (Decrease) in liabilities and provisions	(9,494,210)	92,611,626	(174,895)	1,706,028
Net changes in working capital	(66,914,178)	756,069,754	(1,232,646)	13,927,789
Income taxes Paid	11,684,183	(71,456,125)	215,238	(1,316,314)
Net cash generated from operating activities (A)	(116,070,677)	421,770,064	(2,138,172)	7,769,553
Cash flow from investing activities				
Interest and dividend income received	191,732,997	12,352,021	3,531,970	227,540
Capital expenditure	(5,793,678)	(2,451,165)	(106,727)	(45,154)
Net cash used in investing activities (B)	185,939,321	9,900,856	3,425,243	182,387
Cash flow from financing activities				
Proceeds from secured loan		9,771,300,000		180,000,000
Repayment of loans		(10,063,796,863)		(185,398,171)
Interest paid	(101,285,401)	(110,157,684)	(1,865,808)	(2,029,247)
Net cash used in financing activities (C)	(101,285,401)	(402,654,547)	(1,865,808)	(7,417,420)
Net increase in cash and cash equivalents (A+B+C)	(31,416,758)	29,016,372	(578,738)	534,519
Cash and cash equivalents at the beginning of the year*	208,626,919	179,610,554	3,843,178	3,308,659
Cash and cash equivalents at the end of the year*	177,210,162	208,626,925	3,264,441	3,843,178

* Refer note 14 for components of cash and cash equivalents.

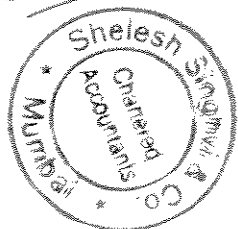
As per our report of even date attached.

For SHELESH SINGHI & 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

Rajesh Subramaniam

Rajesh Subramaniam
Director

Donald Layden
Director

Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

1 Background

Firstsource Group USA Inc. ('the Company') was incorporated under the laws of the State of Delaware on 25 November 2009. The Company provides contact centre and transaction processing services for customers in the financial services, telecommunications and healthcare industry. The Company is a wholly owned subsidiary of Firstsource Solutions Limited ('FSL') incorporated under the laws of India. On 31 March 2010, Firstsource Solutions USA Inc (erstwhile subsidiary of FSL) was merged with the Company.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of Firstsource Solutions USA, Inc. ('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 State Dollars ('USD'). However, for the purpose of compliance with the requirements of Section 212 of the Act, amounts 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 expenses 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.

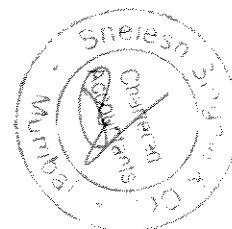
2.3 Revenue recognition

Revenue from 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.



Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

2 Significant accounting policies (Continued)

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
Goodwill on aquired asset	5 or estimate useful life which ever is shorter
<i>Tangible</i>	
Leasehold improvements	5 or Lease term which ever is shorter
Computers	3 - 4
Furniture & Fixtures	3 - 5
Networks/Service Equipments	3 - 5
Office Equipments	3 - 5

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.

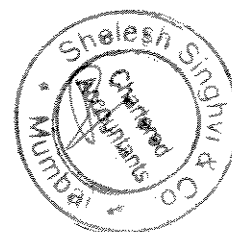
2.5 Impairment of assets

a) Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group 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 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.



Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

2 Significant accounting policies (Continued)

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

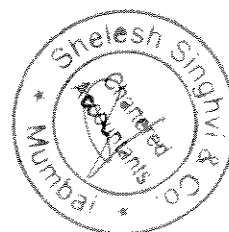
Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit 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 of all the subsidiaries of the company are computed on a consolidated basis and the liability for the same is recognized in this company.

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 Group USA, Inc.

Notes to the accounts
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

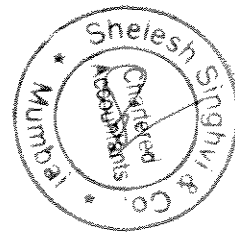
Contributions payable to the social security, medicare and other employee related contributions as required under the State of Delaware Law are charged to the statement of profit and loss.

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.

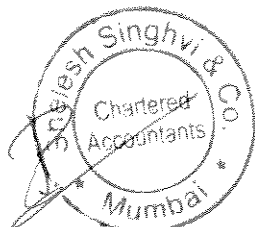
Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.



Firstsource Group USA, Inc

Notes to the accounts
as at 31 March 2013

	Amount in Rupees 31 March 2013	Amount in Rupees 31 March 2012	Amount in USD 31 March 2013	Amount in USD 31 March 2012
3 Share capital				
Authorised Share Capital 218,483 common stock (31 March 2012: 218,483 common stock) fully paid-up common stock of USD 1	11,860,350	11,860,350	218,483	218,483
Issued, subscribed and paid up 218,483 common stock (31 March 2012: 218,483 common stock) fully paid-up common stock of USD 1 each	11,860,350	11,860,350	218,483	218,483
	11,860,350	11,860,350	218,483	218,483
a. Reconciliation of number of common stock outstanding	31 March 2013		31 March 2012	
	No. of common stock	Amount in Rupees	No. of common stock	Amount in USD
Common stock outstanding at the beginning of the year	218,483	11,860,350	218,483	11,860,350
Common stock outstanding at the end of the year	218,483	11,860,350	218,483	11,860,350
b. Details of common stock holding more than 5% common stock in the Company	31 March 2013		31 March 2012	
	No. of common stock	% of holding	No. of common stock	% of holding
Firstsource Solution Ltd.(Holding Company)	218483	100	218483	100
c. Rights & Restriction attached to equity shares	The Company has a single class of common stock. Accordingly, all common stock rank equally with regard to dividends and share in the Company's residual assets. The common stock are entitled to receive dividend as declared from time to time. The voting rights of common stockholders are in proportion to its share in the paid-up common stock capital of the Company. On winding up of the Company, the holders of common stock will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of common stock held.			
4 Reserves and surplus	Amount in Rupees 31 March 2013	Amount in Rupees 31 March 2012	Amount in USD 31 March 2013	Amount in USD 31 March 2012
Statement of Profit and Loss				
Balance at the beginning of the year	11,652,175,867	11,723,602,875	214,648,169	215,963,947
Add : (Loss) / Profit for the year	(200,677,876)	(71,426,968)	(3,696,746)	(1,315,778)
Balance at the end of the year	11,451,497,991	11,652,175,907	210,951,423	214,648,169
	11,451,497,991	11,652,175,908	210,951,423	214,648,169
5 Long term borrowings				
Secured				
Term Loan - from banks				
Term Loan (The term loan carries interest at an average rate of LIBOR + 4/5 bps. The loan is repayable after 2 years from the date of its origination in 16 quarterly instalments. The loan is secured against pari passu charge on all current assets, non-current assets and fixed assets of the Group except assets of Anunta, FDS and Twinlakes-I and Twinlakes-II. Further, the loan has been guaranteed by Firstsource solutions limited.)	7,325,760,750	9,771,300,000	134,950,000	180,000,000
	7,325,760,750	9,771,300,000	134,950,000	180,000,000
6 Deferred tax liabilities, net				
On carry forward losses	(489,488,188)	(349,012,857)	(9,017,006)	(6,429,269)
On depreciation	(283,624,810)	(320,910,183)	(5,224,736)	(5,911,581)
On accrued expenses	(15,286,212)	(14,328,367)	(281,592)	(263,947)
Deferred tax assets	(788,399,210)	(684,251,407)	(14,523,334)	(12,604,797)
On goodwill and other amortization	1,445,588,701	1,193,805,398	26,629,616	21,991,441
Deferred tax liability	1,445,588,701	1,193,805,398	26,629,616	21,991,441
	657,189,491	509,553,991	12,106,282	9,386,644



Firstsource Group USA, Inc

Notes to the accounts
as at 31 March 2013

	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
7 Long-term provisions				
Provision for employee benefits				
Compensated absences	2,666,732	-	49,125	-
	2,666,732	-	49,125	-
8 Trade payables				
Trade payables for expenses and services	64,765,377	93,088,817	1,193,062	1,714,817
	64,765,377	93,088,817	1,193,062	1,714,817
9 Other current liabilities				
Accrued interest	96,746,192	94,597,212	1,782,190	1,742,603
Current Maturities of Long Term Loan	2,445,539,250	-	45,050,000	-
Book credit in bank account	14,955,521	1,061,858	275,500	30,614
Statutory Dues	2,715,207	2,847,719	50,018	52,459
	2,559,956,169	99,106,789	47,157,708	1,825,676
10 Short-term provisions				
Provision for tax	12,485,550	9,124,871	230,000	168,092
Employee related dues	719,893	-	13,260	-
	13,205,443	9,124,871	243,260	168,092

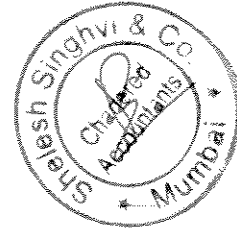


Firstsource Group USA, Inc

Notes to the accounts
as at 31 March 2013

11) Fixed Assets

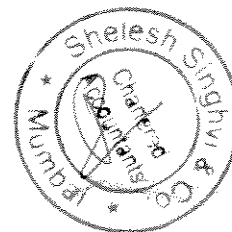
	Tangible Assets				Intangible assets			Grand Total
	Computers	Service equipments	Office furniture and equipment	Leasehold improvements	Total	Goodwill	Software	
Gross Block								
As at 1 April 2012	53,074,665	46,274,481	48,059,943	130,155,602	277,564,692	130,706,408	15,805,462	146,511,870
Additions during the year	3,305,610	9,518	1,866,868	-	5,201,996	-	591,680	591,680
Additions on account of business acquisitions	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-
As at 31 March 2013	56,380,275	46,283,999	49,945,811	130,155,602	282,766,687	130,706,408	16,397,142	147,103,550
Accumulated depreciation / amortization								
As at 1 April 2012	51,433,106	42,363,465	39,523,209	106,549,690	239,869,470	106,819,340	10,920,962	117,740,303
Accumulated depreciation on business acquisitions	-	-	-	-	-	-	-	-
Charge for the year	1,633,867	3,342,004	7,869,800	23,235,490	35,901,161	23,868,717	3,248,294	27,117,010
On deletions during the year	-	-	-	-	-	-	-	-
As at 31 March 2013	53,066,973	45,705,469	47,213,010	129,785,181	275,770,632	130,688,057	14,169,256	144,857,313
Net Block (INR)	3,313,302	578,530	2,733,801	370,422	6,996,056	18,352	2,227,886	2,246,237
As at 31 March 2012 (INR)	1,641,559	3,911,017	8,536,733	23,605,912	37,695,221	23,887,068	4,894,499	28,771,567
Net Block (USD)	61,035	10,657	50,360	6,824	128,876	338	41,041	41,379
As at 31 March 2012 (USD)	30,240	72,046	157,258	434,851	694,395	440,031	89,979	530,010



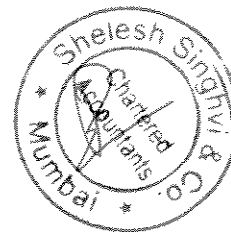
Firstsource Group USA, Inc

Notes to the accounts
as at 31 March 2013

	Amount in Rupees 31 March 2013	Amount in Rupees 31 March 2012	Amount in USD 31 March 2013	Amount in USD 31 March 2012
12 Non-Current investments				
<i>Non - Trade</i>				
Investments in subsidiaries (Unquoted)				
Investment in MedAssist Holding Inc.- 992 voting common stock (31 March 2012 : 992 voting common stock)	18,810,763,504	18,810,763,504	346,518,624	346,518,624
Investment in Firstsource Business Process Services LLC - 100% voting rights (31 March 2012 : 100% voting rights)	1,579,042,080	1,579,042,080	29,088,000	29,088,000
	20,389,805,584	20,389,805,584	375,606,624	375,606,624
13 Long term loans and advances				
<i>(Unsecured, considered good)</i>				
Loan to related party				
Loan to Twin Lakes Property LLC - I	120,409,738	131,063,684	2,218,103	2,414,363
Loan to Twin Lakes Property LLC - II	71,703,272	-	1,320,867	-
Other loans and advances				
Prepaid expenses	228,074,851	213,082,635	4,201,434	3,925,258
Advance tax and tax deducted at source	6,770,719	35,526,655	124,725	654,447
	426,958,580	379,672,974	7,865,129	6,994,058
14 Trade receivables				
<i>(Unsecured)</i>				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
- considered good	(668,856)	668,858	(12,321)	12,321
- considered doubtful	(668,858)	668,858	(12,321)	12,321
Less: Provision for doubtful debts	(668,858)	668,858	(12,321)	12,321
	175,047,403	219,817,666	3,224,601	4,049,326
Others debts				
- considered good	-	-	-	-
- considered doubtful	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-
	175,047,403	219,817,666	3,224,601	4,049,326
	175,047,403	219,817,666	3,224,601	4,049,326
15 Cash and cash equivalents				
Cash in hand	-	-	-	-
Balances with banks	-	-	-	-
- in current accounts	177,210,162	208,626,925	3,264,441	3,843,178
	177,210,162	208,626,925	3,264,441	3,843,178
16 Short term loans and advances				
<i>(Unsecured, considered good)</i>				
Related party				
Advances to group companies, net	729,157,799	739,150,773	13,432,031	13,616,114
Loan to Twin Lakes Property LLC - I	5,357,924	-	98,700	-
Loan to Twin Lakes Property LLC - II	5,144,677	-	94,772	-
Others				
Prepaid expenses	70,433,605	51,823,746	1,297,478	954,661
Employee Advances . Net	1,536,708	2,960,011	28,308	54,527
	611,630,713	793,934,530	14,951,289	14,625,302
17 Other current assets				
Unbilled receivables	97,007,567	87,886,258	1,787,005	1,618,979
	97,007,567	87,886,258	1,787,005	1,618,979



18 Revenue from Operations				
Sale of services	1,946,043,387	1,932,197,169	35,848,639	35,593,574
	1,946,043,387	1,932,197,169	35,848,639	35,593,574
19 Other Income				
Interest income	18,020,943	12,352,021	331,969	227,540
Miscellaneous income	2,592,815	700,741	47,763	12,909
Dividend income from Medassist Holding Inc.	173,712,000	414,891,719	3,200,000	7,642,843
Foreign exchange Gain / (loss), (net)	(221,297)	(689,734)	(4,077)	(12,706)
	194,104,461	427,254,747	3,575,656	7,870,586
20 Employee benefits expense				
Salaries and wages	711,307,820	676,501,008	13,103,211	12,462,025
Contribution to provident and other fund	958,961	1,280,981	17,665	23,597
Staff welfare expenses	81,681,912	70,289,221	1,504,687	1,294,818
	793,948,693	748,071,210	14,625,563	13,780,440
21 Finance cost				
Interest expense	117,752,043	110,157,684	2,169,145	2,029,247
Foreign exchange (Gain) / loss	(16,466,642)	-	(303,337)	-
	101,285,401	110,157,684	1,865,808	2,029,247
22 Other expenses				
Rent	65,211,432	58,498,142	1,201,279	1,077,612
Rates and taxes	(7,717,991)	(5,886,453)	(142,175)	(108,436)
Bank administration charges	53,836,762	35,604,135	991,743	655,874
Insurance	2,220,686	4,271,388	40,968	78,684
Travelling and conveyance	18,189,546	24,654,799	335,075	454,173
Legal and professional fees	34,851,649	70,113,965	642,013	1,291,590
Service charge	162,668	2,119,179	2,997	39,036
Marketing and support services	2,997,945	11,239,328	55,226	207,043
Communication expenses	6,845,097	10,959,666	126,096	201,891
Membership fees	478,566	1,032,396	8,816	19,018
Computer expenses	1,639,203	3,335,642	30,196	61,447
Recruitment expenses/training expenses	19,787,295	18,544,457	364,508	341,613
Printing and stationery	4,745,659	2,615,672	87,421	48,194
Miscellaneous expenses	(24,167)	305,068	(445)	5,620
Car hire and other hire charges	675,347	596,186	12,441	10,983
Upkeep and maintenance charges	11,207,387	16,343,363	206,455	301,066
Bad debts written off / provision for doubtful accounts	(668,856)	668,858	(12,321)	12,321
Software expenses	83,330	49,606	1,535	914
Common corporate costs	107,371,873	94,533,976	1,977,929	1,741,438
	321,893,429	349,699,380	5,929,694	6,440,074



Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

23. 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. 65,211,431 equivalent to USD 1,201,279 (Previous year: Rs 58,498,167 equivalent to USD 1,077,612) have been debited to the profit and loss account.

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

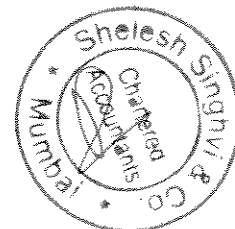
	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Amount due within one year from the balance sheet date	18,547,373	59,782,496	341,667	1,101,271
Amount due in the period between one year and five years	17,914,050	40,244,293	330,000	741,352
Amount due after the period of five years				
	<u>36,461,423</u>	<u>100,026,789</u>	<u>671,667</u>	<u>1,842,623</u>

24. 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.

25. Capital commitments

The Company has no capital commitments as at the balance sheet date (31 March 2012: Nil).



Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

26. Supplementary statutory information (accrual basis)

	31 March 2013	31 March 2012
<i>i) Expenditure in foreign currency</i>		
Repairs and maintenance	3,863.10	-

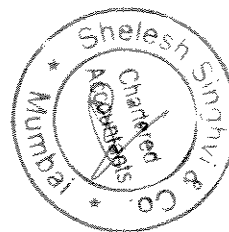
27. Contingent liabilities

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

28. Related Party Transactions

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

Holding Company	<ul style="list-style-type: none"> • Firstsource Solutions Ltd • RevIT Systems Private Ltd • Firstsource Advantage LLC • Firstsource Solutions USA LLC • Firstsource Solution UK Limited • Anunta Tech Infrastructure Services Limited • Firstsource BPO Ireland Limited • Firstsource Dialog Solutions (Private) Ltd • Twin Lake Property I LLC • Twin Lake Property II LLC.
Parties with substantial interests	
Subsidiary	
	<ul style="list-style-type: none"> • Firstsource Business Process Services LLC • MedAssist Holding, Inc.,

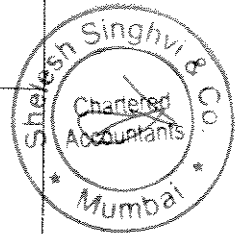


Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

28. 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	Receipt of services	1,174,852,375	938,864,884	21,642,302	17,295,107	(3,992,609)	354,298,761	(73,549)	6,526,842
	Recovery of expenses	14,238,189	5,350,981	262,286	98,572	11,488,515	-	211,633	-
	Reimbursement of expenses	14,315,967	75,373,040	263,719	1,388,469	-	92,960,728	-	1,712,457
	Interest Expense	-	110,157,673	-	2,029,247	-	-	-	-
	Loan Repaid	-	8,142,750,000	-	150,000,000	-	-	-	-
	Parantel Guarantee	78,023,378	-	1,437,292	-	78,023,378	-	1,437,292	-
	Advance received	147,387,380	-	2,715,066	-	(147,387,380)	-	(2,715,066)	-
	Investment in Equity	-	-	-	-	11,476,865,324	-	211,418,722	-
RevIT systems Pvt. Limited	Receipt of Services	38,911,379	61,490,682	7,16,798	1,132,738	-	23,135,018	-	426,177
Firstsource Transaction Services	Recovery of Expenses (Net of Expense Reimbursement)	109,474,171	85,880,669	2,016,656	1,582,033	8,800,351	9,141,371	162,114	168,396
Firstsource Solution UK Limited	Recovery of Expenses	106,616	3,220,286	1,964	59,322	-	3,220,286	-	59,322

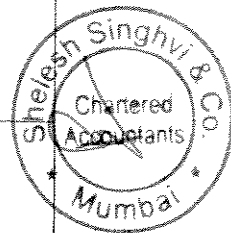


Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

	Reimbursement of expenses	526,944	-	9,707	-	436,397	-	8,039	-
	Loan	434,795,708	-	8,009,500	-	271,940,708	-	5,909,500	-
Firstsource Advantage LLC	Recovery of Expenses (Net of Expense Reimbursement)	115,219,105	39,582,773	983,031	729,166	51,114,539	138,682,052	941,596	2,554,703

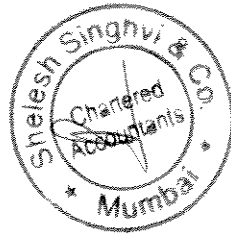
Name of the related party	Description	Transaction value during the year ended (In Rupees)		Transaction value during the year ended (In USD)		Receivable / Payable (In Rupees)		Receivable / Payable (In USD)	
		2013	2012	2013	2012	2013	2012	2013	2012
Twin Lake Property I LLC	Interest Income	10,942,852	12,352,009	201,581	227,540	-	-	-	-
	Repayment of loan	5,296,045	4,460,816	97,560	82,174	125,767,651	131,063,695	2,316,803	2,414,363
Twin Lake Property II LLC	Interest Income	7,078,091	-	130,388	-	-	-	-	-
	Loan Given	101,085,774	-	1,862,131	-	76,847,963	-	1,415,639	-
	Repayment of Loan	24,237,811	-	446,492	-	-	-	-	-
Anunta Tech Infrastructure Services Ltd	Recovery of Expenses	-	12,291,861	-	226,432	12,563,069	12,563,069	231,428	231,428
Medassist Holdings Inc	Dividend Received	173,712,000	414,891,732	3,200,000	7,642,843	-	-	-	-
	Recovery of Expenses (Net of Expense Reimbursement)	855,820,016	789,912,923	15,765,313	14,551,219	81,161,737	350,911,503	1,495,104	6,464,244



Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

	Investment	-	-	-	-	18,810,763,504	18,810,763,504	346,518,624	346,518,624
Firstsource Business Process Services LLC		-	-	-	-	1,579,042,080	1,579,042,080	29,088,000	29,088,000
	Investment	-	-	-	-	953,390,180	972,389,930	17,562,682	17,912,682
	Recovery of Expenses	-	-	-	-				



Firstsource Group USA, Inc.

Notes to the accounts
as at 31 March 2013

29. 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)

30. 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.

31. 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

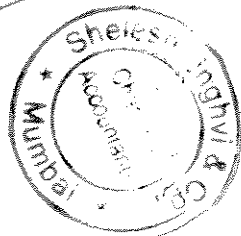
Praveena Jain

Praveena Jain
Partner

Membership No: 402256

Mumbai

7 May 2013



For and on behalf of the Board of Directors

Rajesh Subramaniam

Rajesh Subramaniam
Director

Donald Layden
Director

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