

# 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 Transaction Services LLC** ("the Company") as at March 31<sup>st</sup>, 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 31<sup>st</sup> March; 2013.
- ii) in the case of the Profit & Loss account, of the profit of the Company for the year ended on that date.

**For Shelesh Singhvi & Co.**

Chartered Accountants

Firm Registration No.14792C

*Praveena Jain*

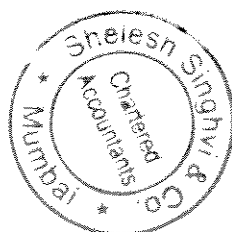
**PRAVEENA JAIN**

Partner

Membership No: 402256

Place: Mumbai

Date: 7<sup>th</sup> May, 2013



**Firstsource Transaction Services, LLC**  
**Balance Sheet**  
**as at 31 March 2013**

	Note	Amount in Rupees		Amount in USD	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	3	-	-	-	-
Reserves and Surplus	4	437,643,316	392,511,298	8,061,966	7,230,565
		437,643,316	392,511,298	8,061,966	7,230,565
<b>Current liabilities</b>					
Trade payables	5	114,812,658	115,737,723	2,111,313	2,132,040
Other Non current liabilities	6	23,373,720	-	430,574	-
Other current liabilities	7	13,843,177	37,611,730	251,328	692,860
		161,629,555	153,349,453	2,793,213	2,824,900
		689,272,870	545,860,751	10,855,169	10,055,465
<b>ASSETS</b>					
<b>Non current assets</b>					
<b>Fixed assets</b>					
Tangible assets	8	33,084,691	39,113,336	609,463	720,519
Intangible assets		2,196,787	2,465,029	40,449	45,409
		35,280,478	41,578,365	649,912	765,928
Long-term loans and advances	9	713,1490	6,136,461	131,371	113,041
		42,411,967	47,714,826	781,283	878,969
<b>Current assets</b>					
Trade receivables	10	395,221,706	348,240,427	7,260,495	6,378,200
Cash and bank balances	11	47,228,176	137,512,013	870,004	2,533,149
Short term loans and advances	12	99,226,757	11,875,218	1,827,885	215,073
Other current assets	13	5,184,319	2,718,267	95,502	50,074
		546,860,957	498,145,925	10,073,886	9,176,496
		589,272,924	545,860,751	10,855,169	10,055,465

Significant accounting policies 2  
The accompanying notes from 1 to 27 form an integral part of the financial statement.

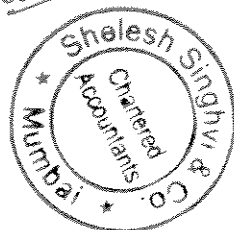
As per our report of even date attached.

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

*Praveena Jain*

Praveena Jain  
Partner  
Membership No: 402258

Mumbai  
07 May 2013



For and on behalf of the Board of Directors

*K. Venkat Raman*

Venkat Raman  
Director

Matthew David Strickler  
Director

**Firstsource Transaction Services, LLC**  
**Statement of profit and loss**  
*for the year ended 31 March 2013*

	Note	Amount in Rupees		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
<b>Income</b>					
Revenue from Operations	14	2614450520	1,771,979,683	48,161,564	32,642,161
Other Income		142,960	-	2,834	-
		<b>2,614,593,480</b>	<b>1,771,979,683</b>	<b>48,164,198</b>	<b>32,642,161</b>
<b>Expenses</b>					
Cost of Sales		593,523,617	417,801,581	10,933,474	7,596,448
Employee benefits expense	15	1,489,344,553	1,020,717,916	27,435,656	18,802,946
Finance Cost	16	0	18,487	-	341
Depreciation and amortization	8	28,343,092	30,689,815	486,274	565,346
Other expenses	17	286,538,091	210,211,111	5,278,403	3,872,361
		<b>2,386,749,353</b>	<b>1,679,438,910</b>	<b>44,132,807</b>	<b>30,937,441</b>
<b>Profit Before Taxation</b>		<b>218,844,127</b>	<b>92,540,773</b>	<b>4,031,391</b>	<b>1,704,720</b>
<b>Provision for Tax</b>					
<b>Profit After Taxation</b>		<b>218,844,127</b>	<b>92,540,773</b>	<b>4,031,391</b>	<b>1,704,720</b>

Significant accounting policies 2  
The accompanying notes from 1 to 27 form an integral part of the financial statement.

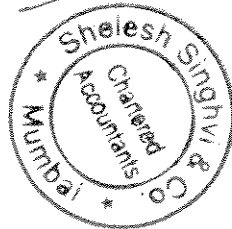
As per our report of even date attached.

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

*K Venkat Raman*

Venkat Raman  
Director

Matthew David Strickler  
Director

Firstsource Transaction Services, LLC  
Cash flow statement  
for the year ended 31 March 2013

	Amount in Rupees		Amount in USD	
	2013	2012	2013	2012
<b>Cash flow from operating activities</b>				
Net profit after tax	218,844,073	92,540,718	4,031,391	1,704,720
Adjustments for				
Depreciation and amortization	26,343,082	30,689,816	465,274	565,346
Interest costs	-	18,487	-	341
Operating cash flow before changes in working capital	245,187,155	123,249,021	4,516,665	2,270,407
Changes in working capital				
Increase in Trade receivables	(48,881,105)	(346,240,590)	(802,295)	(8,378,200)
Increase in Loans and advances and other current assets	(91,013,132)	(20,528,787)	(1,676,573)	(378,193)
Increase in Other liabilities and provisions	(1,720,129)	453,320,346	(31,687)	8,556,748
Net changes in working capital	(141,714,366)	86,549,969	(2,610,653)	1,594,355
Net cash used in operating activities (A)	103,472,800	209,798,967	1,906,112	3,864,762
<b>Cash flow from investing activities</b>				
Capital expenditure and transfers on merger	(20,044,972)	(72,268,196)	(369,264)	(1,331,274)
Net cash generated from investing activities (B)	(20,044,972)	(72,268,196)	(369,264)	(1,331,274)
<b>Cash flow from financing activities</b>				
Interest paid	-	(18,487)	-	(341)
Dividend paid	(173,712,000)	0	(3,200,000)	-
Net cash used in financing activities (C)	(173,712,000)	(18,487)	(3,200,000)	(341)
<b>Net increase in cash and cash equivalents (A+B+C)</b>	(90,284,172)	137,512,305	(1,663,143)	2,633,147
Cash and cash equivalents at the beginning of the year*	137,512,305		2,633,147	
Cash and cash equivalents at the end of the year*	47,228,133	137,512,305	870,004	2,633,147

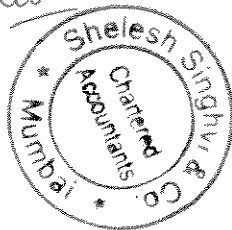
\* Refer schedule 11 for components of cash and cash equivalents.

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

*Venkat Raman*

Venkat Raman  
Director

Matthew David Strickler  
Director

# Firstsource Transaction Services LLC

## Notes to the accounts as at 31 March 2013

### 1 Background

Firstsource Transaction Services LLC ('the Company') was incorporated under the laws of the State of Delaware on 26 May 2011. The Company provides contact centre and transaction processing services for customers in the financial services, telecommunications and healthcare industry. The Company is a wholly owned subsidiary of MedAssist Holding, Inc. who holds the voting rights in the Company.

### 2 Significant accounting policies

#### 2.1 Basis of preparation

The financial statements of 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

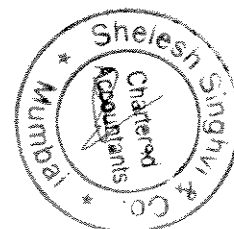
The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. 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.

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



# Firstsource Transaction Services LLC

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 acquired 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.

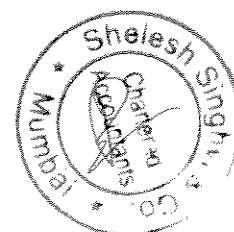
### 2.5 Impairment of assets

#### a) Financial assets

The Group 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 Group 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 account. 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 Group 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 Group 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 account. 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 Transaction Services LLC

## 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 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.

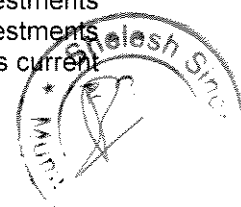
#### 2.9 Leases

##### *Operating lease*

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

#### 2.10 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.



# Firstsource Transaction Services LLC

**Notes to the accounts**  
as at 31 March 2013

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

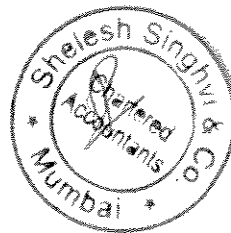
### **2.10 Investments (Continued)**

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

### **2.11 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.

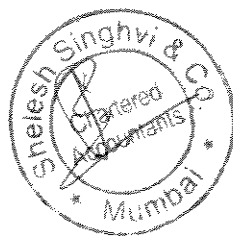




**Firstsource Transaction Services, LLC**

**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
<b>3 Share Capital</b>				
<b>Issued, Subscribed and paid up :</b>	-	-	-	-
<b>A. Details of voting rights holding more than 5% in the Company</b>				
Medassist Holding Inc			% of Holding 100	% of Holding 100
<b>4 Reserves and Surplus</b>				
Balance at the beginning of the year	392,511,242		7,230,565	
Transfer on account of restructuring	0	299,970,525		5,525,846
Add : Profit for the year	218,844,074	92,540,773	4,031,391	1,704,720
Less : Dividend paid	173,712,000	-	3,200,000	
	<b>437,643,315</b>	392,511,298	<b>8,061,956</b>	7,230,565
<b>5 Trade payables</b>				
Trade payables for Expenses & Services	114,612,658	115,737,723	2,111,313	2,132,040
	<b>114,612,658</b>	115,737,723	<b>2,111,313</b>	2,132,040
<b>6 Other Long Term Provisions</b>				
Compensated Absenses	23,373,720	-	430,574	-
	<b>23,373,720</b>	-	<b>430,574</b>	-
<b>7 Other current liabilities</b>				
Employee Related Statutory Dues	4,905,506	3,876,524	90,367	71,411
Compensated Absenses	5,820,438	-	107,220	-
Inter company payable, net	-	33,735,206	-	621,447
Book credit in Bank account	2,917,233	-	53,739	-
	<b>13,643,177</b>	37,611,730	<b>251,326</b>	<b>692,860</b>

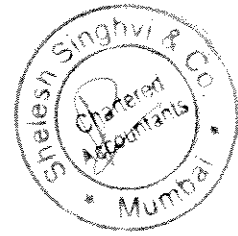


Firstsource Transaction Services, LLC

Notes to the accounts  
as at 31 March 2013

8. Fixed Assets

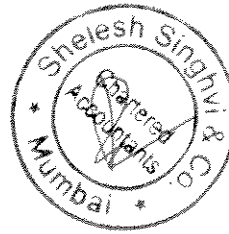
	Tangible Assets				Intangible assets			Total Assets
	Computers	Network	Vehicles	Office furniture and equipment	Leasehold improvements	Total Tangible assets	Software	
<b>Gross Block</b>								
As on 1st April 2012	165,629,514	8,662,079	2,085,304	114,594,779	57,287,232	348,258,909	152,546,885	500,805,794
Additions during the year	4,052,355	7,391,898	-	6,788,939	121,816	18,355,007	1,690,200	20,045,207
Additions on account of business acquisitions	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-
As at 31 March 2013	169,681,870	16,053,977	2,085,304	121,383,717	57,409,047	366,613,916	154,237,085	520,851,001
<b>Accumulated depreciation / amortization</b>								
As on 1st April 2012	156,698,206	1,842,296	1,351,505	104,237,674	45,015,892	309,145,573	150,081,857	459,227,430
Accumulated depreciation on business acquisitions	-	-	-	-	-	-	-	-
Charge for the year	6,030,431	2,939,355	468,402	8,016,363	6,929,100	24,383,651	1,959,441	26,343,092
On deletions during the year	-	-	0	-	-	-	-	-
As at 31 March 2013	162,728,637	4,781,651	1,819,907	112,254,037	51,944,992	333,529,224	152,041,298	485,570,522
<b>Net Block (INR)</b>								
As at 31 March 2012 (INR)	6,931,308	6,819,783	733,799	10,357,105	12,271,340	39,113,336	2,465,028	41,578,365
As at 31 March 2012 (USD)	128,088	207,651	4,889	168,181	100,655	609,463	40,449	649,912
As at 31 March 2012 (USD)	164,526	125,629	13,518	190,791	226,054	720,519	45,409	765,928



**Firstsource Transaction Services, 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
<b>9 Long term loans and advances</b> <i>(Unsecured, considered good)</i>				
Deposits	7,131,490	5,861,286	131,371	107,972
Others				
Prepaid expenses	-	275,175	-	5,069
	<b>7,131,490</b>	<b>6,136,461</b>	<b>131,371</b>	<b>113,041</b>
<b>10 Trade receivables</b> <i>(Unsecured)</i>				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
- considered doubtful	0	4,057,802	-	74,750
		-		
Less: Provision for doubtful debts	-	4,057,802	-	74,750
		-		
Others				
- considered good	395,221,706	346,240,427	7,280,495	6,378,200
- considered doubtful		-		-
	<b>395,221,706</b>	<b>346,240,427</b>	<b>7,280,495</b>	<b>6,378,200</b>
Less: Provision for doubtful debts		-	-	-
	<b>395,221,706</b>	<b>346,240,427</b>	<b>7,280,495</b>	<b>6,378,200</b>
<b>11 Cash and cash equivalents</b>				
- in current accounts	47,228,176	137,512,013	870,004	2,533,149
	<b>47,228,176</b>	<b>137,512,013</b>	<b>870,004</b>	<b>2,533,149</b>

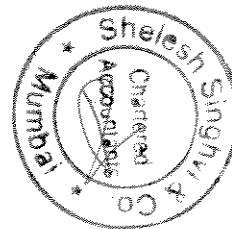


**Firstsource Transaction Services, LLC**

**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
<b>12 Short term loans and advances</b> <i>(Unsecured, considered good)</i>				
Prepaid expenses	9,981,415	11,675,218	183,871	215,073
Accounts receivable Reimbursement	512,201		9,435	
Intercompany receivable, net	88,733,140		1,634,579	
	<b>99,226,757</b>	<b>11,675,218</b>	<b>1,827,885</b>	<b>215,073</b>
<b>13 Other current assets</b>				
Others				
Advances for Expense	3,251,672	2,718,267	59,900	50,074
Unbilled Revenue	1,932,648	-	35,602	-
	<b>5,184,319</b>	<b>2,718,267</b>	<b>95,502</b>	<b>50,074</b>



Firstsource Transaction Services, LLC

Notes to the accounts

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
<b>14 Revenue from Operations</b>				
Sale of services	2,614,450,520	1,771,979,683	48,161,564	32,642,161
	<b>2,614,450,520</b>	<b>1,771,979,683</b>	<b>48,161,564</b>	<b>32,642,161</b>
<b>15 Employee benefits expense</b>				
Salaries and wages	1,424,072,119	959,618,453	26,233,253	17,677,415
Contribution to provident and other funds	4,132,098	3,324,376	76,119	61,239
Staff welfare expenses	61,140,336	57,775,087	1,126,284	1,064,292
	<b>1,489,344,553</b>	<b>1,020,717,916</b>	<b>27,435,656</b>	<b>18,802,946</b>
<b>16 Finance charges</b>	0	18,487	-	341
	-	18,487	-	341
<b>17 Other expenses</b>				
Rent	64,949,150	51,635,600	1,196,447	951,195
Rates and taxes	940,879	521,562	17,332	9,608
Bank administration charges	1,229,524	881,334	22,649	16,235
Insurance	8,530,338	4,907,682	157,140	90,406
Travelling and conveyance	21,667,259	17,391,360	399,139	320,371
Electricity, water and power consumption	7,740,256	5,400,882	142,586	99,491
Legal and professional fees	18,556,201	11,980,181	341,829	220,690
Marketing and support services	7,735,896	3,708,756	142,505	68,320
Communication expenses	27,590,773	23,484,025	508,258	432,606
Membership fees	2,927,567	2,183,762	53,930	40,228
Computer expenses	20,224,319	10,810,242	372,558	199,139
Recruitment expenses/training expenses	0	3,998,833	-	73,664
Printing and stationery	35,852,095	27,655,949	660,442	509,458
Miscellaneous expenses	-17,201	1,286,613	(317)	23,701
Donation & Charity	1,173,998	-	21,627	-
Exchange (Gain) / Loss	144,108	-	2,655	-
Car hire and other hire charges	20,124,367	7,787,796	370,717	143,461
Repairs and maintenance - others	13,650,114	8,354,359	251,453	153,898
Bad debts written off / provision for doubtful accounts	0	(6,308,606)	-	(116,213)
Software expenses	1,458,388	575,457	26,865	10,601
Common corporate costs	32,060,060	33,955,324	590,588	625,501
	<b>286,538,091</b>	<b>210,211,111</b>	<b>5,278,403</b>	<b>3,872,361</b>



# Firstsource Transaction Services LLC

## Notes to the accounts as at 31 March 2013

### 18. 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. 64,949,150 equivalent to USD 1,196,447 (Previous year: Rs 51,635,600 equivalent to USD 951,195) have been debited to the profit and loss account.

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

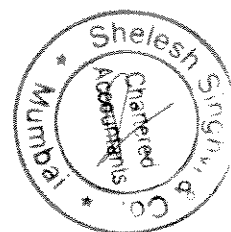
	Amount in Rupees		Amount in USD	
	2013	2012	2013	2012
Amount due within one year from the balance sheet date	50,174,074	53,776,875	924,271	1,057,039
Amount due in the period between one year and five years	126,011,730	33,953,167	2,321,299	667,384
	<u>176,185,804</u>	<u>87,730,042</u>	<u>3,245,570</u>	<u>1,724,423</u>

### 19. 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.

### 20. Capital commitments

The Company has capital commitments of Rs. 5,197,474 in USD 95,744.21 (31 March 2012: Nil) as at the balance sheet date.



# Firstsource Transaction Services LLC

Notes to the accounts  
as at 31 March 2013

## 21. Supplementary statutory information (accrual basis)

	31 March 2013	31 March 2012
(i). <i>Earnings in foreign exchange</i>		
Income from services	119,776	18,094
Other income	63	-
(ii). <i>Expenditure in foreign currency</i>		
Legal and professional fees	6,876	-
Other expenses	894	-

## 22. EPS

As the company is incorporated under the laws of the State of Delaware, USA . As per Country's laws, company is having voting control & there is no share capital. Earning per share is not calculated in the absence of share capital.

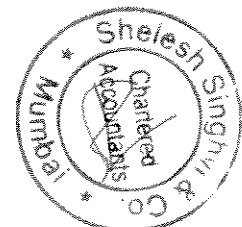
## 23. Contingent liabilities

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

## 24. 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	• MedAssist Holding, Inc.,
Parties with substantial interests	• Firstsource Group USA Inc.
	• RevIT Systems Private Ltd
	• Firstsource Advantage LLC
	• Firstsource Solution UK Limited
	• Anunta Tech Infrastructure Services Limited
	• Firstsource BPO Ireland Limited
	• Firstsource Dialog Solutions (Private) Ltd.
	• Firstsource Business Process Services LLC
	• Twin Lake Property I LLC
	• Twin Lake Property II LLC
	• Firstsource Solutions USA LLC



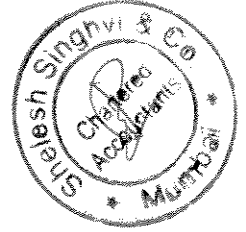
## Firstsource Transaction Services LLC

Notes to the accounts  
as at 31 March 2013

### 24. 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	558,293,532	20,192,174	10,284,490	371,966	(42,659,980)	14,826,699	(785,852)	273,127
	Recovery of expenses	3,177,648	-	58,537	-	25,521,595	-	470,141	-
	Reimbursement of expenses	1,093,814	24,200,090	20,150	445,797	32,060,060	24,200,307	590,588	445,801
RevIT systems Pvt. Limited (Firstsource Solution Ltd.)	Receipt of Services	425,087,595	331,159,074	7,830,664	6,100,379	-	108,170,028	-	1,992,632
Firstsource Group USA Inc.	Reimbursement of expenses	109,474,171	85,880,669	2,016,656	1,582,033	8,800,351	9,141,371	162,114	168,396
MedAssist Holding, Inc.	Recovery of expenses	44,476,732	102,974,085	819,319	1,896,916	4,312,780	2,803,655	79,447	51,647
	Dividend Paid	1,73,712,000	70,148,651	3,200,000	1,292,229	-	-	-	-
Firstsource Solution UK Limited	Expenses Reimbursement	745,062	-	13,725	-	371,853	-	6850	-
Firstsource Advantage LLC	Expenses Reimbursement	110,850	6,336,579	2,042	116,728	-	27,159,925	-	500,321





## Firstsource Transaction Services LLC

Notes to the accounts  
as at 31 March 2013

### 25. 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)

26. 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 31<sup>st</sup> 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.


27. 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

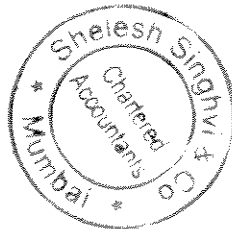
  
Praveena Jain

Partner

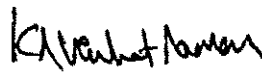
Membership No: 402256

Mumbai

7 May 2013



For and on behalf of the Board of Directors



Venkat Raman

Director

Matthew David Strickler

Director