

Firstsource Advantage LLC

Financial statements
as at and for the year ended
31 March 2015

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, 2015 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 129(3) of Companies Act, 2013.

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; 2015.
- 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

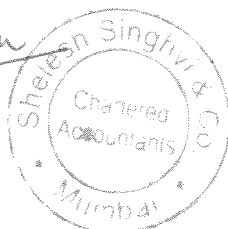
PRAVEENA JAIN

Partner

Membership No: 402256

Place: Mumbai

Date: 5th May, 2015



Firstsource Advantage LLC**Balance Sheet**

as at 31 March 2015

	Note	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	3	625,000	625,000	10,000	10,000
Reserves and surplus	4	1,268,107,139	1,139,874,743	20,289,714	18,237,996
		1,268,732,139	1,140,499,743	20,299,714	18,247,996
Current liabilities					
Trade payables	5	82,125,443	97,795,479	1,314,007	1,564,730
Other current liabilities	6	85,049,365	161,970,981	1,360,790	2,591,535
Short Term provisions	7	6,664,803	18,266,820	106,637	292,269
		173,839,611	278,033,280	2,781,434	4,448,534
		1,442,571,750	1,418,533,023	23,081,148	22,696,530
ASSETS					
Fixed Assets					
Tangible assets	8	26,771,198	38,986,576	428,339	623,785
Intangible assets		12,651,527	27,750,708	202,424	444,011
		39,422,725	66,737,284	630,763	1,067,796
Deferred Tax Assets	9	558,822,601	558,822,601	8,941,162	8,941,162
Long-term loans and advances	10	10,794,293	12,657,376	172,708	202,518
		569,616,894	571,479,977	9,113,870	9,143,680
Current Assets					
Trade receivables	11	271,572,175	248,475,657	4,345,155	3,975,609
Cash and bank balances	12	159,359,303	255,247,053	2,549,749	4,083,953
Short term loans and advances	13	13,366,818	34,141,661	213,869	546,267
Other current assets	14	389,233,835	242,451,391	6,227,742	3,879,225
		833,532,131	780,315,762	13,336,515	12,485,054
		1,442,571,750	1,418,533,023	23,081,148	22,696,530

Significant accounting policies 2

The accompanying notes from 1 to 29 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

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

Partner

Membership No: 402256

Mumbai

Date: 5 May 2015

Arjun Mitra

Director

Kimberly Nestark

Director

Firstsource Advantage LLC**Statement of profit and loss**

for the year ended 31 March 2015

	Note	Amount in Rupees	Amount in Rupees	Amount in USD	Amount in USD
		For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2014
Income					
Revenue from operations	15	3,072,710,147	3,233,385,138	49,163,362	51,734,163
Other Income	16	(418,522)	(264,582)	(6,696)	(4,233)
		3,072,291,625	3,233,120,556	49,156,666	51,729,930
Expenses					
Cost of Sales		484,001,301	325,950,563	7,744,021	5,215,209
Employee benefits expense	17	1,672,673,556	1,921,363,686	26,762,777	30,741,819
Finance cost	18	39,605	239,131	634	3,826
Depreciation and amortization	8	35,424,329	41,479,125	566,789	663,666
Other expenses	19	751,920,567	804,279,171	12,030,727	12,868,466
		2,944,059,358	3,093,311,675	47,104,948	49,492,987
Profit Before Taxation		128,232,267	139,808,880	2,051,718	2,236,943
Less : Provision for taxation		-	-	-	-
Profit After Taxation		128,232,267	139,808,880	2,051,718	2,236,943
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		62.500	62.500	1	1
Earning per share					
- Basic and diluted		12,823.23	13,980.89	205.17	223.69

Significant accounting policies 2

The accompanying notes from 1 to 29 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

For and on behalf of the Board of Directors

Praveena Jain
Partner
Membership No: 402256

Arjun Mitra
Director

Kimberly Nestark
Director

Mumbai
Date: 5 May 2015

Firstsource Advantage LLC

Cash flow statement

for the year ended 31 March 2015

	Amount in Rupees		Amount in USD	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<u>Cash flow from operating activities</u>				
Net profit after tax	128,232,267	139,808,880	2,051,718	2,236,943
Adjustments for				
Depreciation and amortization	35,424,329	41,479,208	566,789	663,668
Provision for doubtful debts / (written back)	1,807,959	(7,755,884)	28,927	(124,094)
(Profit) / loss on sale of fixed assets net	-	-	-	-
Interest costs	39,605	239,131	634	3,826
Interest Income	(42,125)	-	(674)	-
Operating cash flow before changes in working capital	165,462,035	173,771,334	2,647,395	2,780,343
Changes in working capital				
Increases in trade receivables	(23,096,630)	12,198,640	(369,546)	195,178
Decrease / (Increase) in Other Current Assets and Advances	(125,952,323)	(185,491,768)	(2,015,237)	(2,967,868)
Increase / (Decrease) in Current liabilities and Advances	(104,193,710)	41,642,792	(1,667,102)	666,283
Net changes in working capital	(253,242,663)	(131,650,336)	(4,051,885)	(2,106,407)
Net cash (used in) / generated from operating	(87,780,628)	42,120,998	(1,404,490)	673,936
<u>Cash flow from investing activities</u>				
Capital expenditure	(8,109,643)	(19,437,826)	(129,754)	(311,005)
Interest income received	42,125		674	
Investment / dissolution in subsidiary	0	92,445,477	-	1,479,128
Net cash generated from / (used in) investing	(8,067,518)	73,007,651	(129,080)	1,168,122
<u>Cash flow from financing activities</u>				
Interest paid	(39,605)	(239,131)	(634)	(3,826)
Net cash used in financing activities (C)	(39,605)	(239,131)	(634)	(3,826)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(95,887,750)	114,889,519	(1,534,204)	1,838,233
Cash and cash equivalents at the beginning of the year*	255,247,053	140,357,534	4,083,953	2,245,721
Cash and cash equivalents at the end of the year*	159,359,303	255,247,053	2,549,749	4,083,953

* Refer note 13 for components of cash and cash equivalents.

For SHELESH SINGHVI & CO.

Chartered Accountants

Firm's Registration No: 014792C

For and on behalf of the Board of Directors

Partner

Membership No: 402256

Arjun Mitra
Director

Kimberly Nestark
Director

Mumbai

Date: 5 May 2015

Firstsource Advantage LLC

Notes to the financial statements

for the year ended at 31 March 2015

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 previous year Twin Lake Property I & Twin lake property II dissolved, they were 100 % subsidiaries of company.

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 129 (3) of the Companies Act 2013, amounts for both years in these financial statements have been translated into Indian rupees at the closing rate on 31 March 2015 which is 1 USD = Rs 62.50. 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 contact centre and transaction processing services comprises from both time / unit price and fixed fee based service contracts. Revenue from time / unit price based contracts is recognised as services are rendered and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee based service contracts is recognised on achievement of performance milestones specified in the customer contracts. Unbilled receivables represent costs incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms of the contract.

Firstsource Advantage LLC

Notes to the financial statements

for the year ended at 31 March 2015

2 Significant accounting policies (Continued)

Dividend income is recognised when the right to receive dividend is established. Interest income is recognised using the time proportion method, based on the underlying interest rates.

2.3 Revenue recognition (continued)

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.

2.1 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the fixed assets. Depreciation on fixed assets is provided pro rata to the period of use based on management's best estimate of useful lives of the assets as summarized below:

Asset category	Useful life (in years)*
Tangible assets	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Computers*	3 – 4
Service equipment*	3 – 5
Furniture and fixtures*	3 – 5
Office equipment*	3 – 5
Vehicles	2 – 5
Intangible assets	
Software*	3 – 4

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

Software purchased together with the related hardware is capitalised and depreciated at the rates applicable to related assets. Intangible assets other than above mentioned software are amortised over the best estimate of the useful life from the date the assets are available for use. Further, the useful life is reviewed at the end of each reporting period for any changes in the estimates of useful life and accordingly the asset is amortised over the remaining useful life.

Individual assets costing upto Rupees five thousand are depreciated in full in the period of purchase.

Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalised and amortised over the estimated

Firstsource Advantage LLC

Notes to the financial statements

for the year ended at 31 March 2015

useful life of the products as determined by the management. This capitalisation is done only if there is an intention and ability to complete the product, the product is likely to generate

2 Significant accounting policies (*Continued*)

2.2 *Fixed assets and depreciation(continued)*

future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product.

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 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

Firstsource Advantage LLC

Notes to the financial statements

for the year ended at 31 March 2015

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

2 Significant accounting policies (Continued)

2.7 Taxation(Continued)

consolidated basis and hence the tax liabilities for the company have been included in the financial statements of the ultimate holding 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 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.

Firstsource Advantage LLC

Notes to the financial statements

for the year ended at 31 March 2015

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 2015

	Amount in Rupees		Amount in USD	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
3) Share capital				
Authorised : 10,000 units (31 March 2014: 10,000 Units) of USD 1 each	625,000	625,000	10,000	10,000
Issued, subscribed and paid up 10,000 units (31 March 2014: 10,000 Units) of USD 1 each	625,000	625,000	10,000	10,000
	625,000	625,000	10,000	10,000
a. Reconciliation of number of units outstanding	31-Mar-15		31-Mar-14	
	No. of units	Amount in Rupees	No. of units	Amount in Rupees
Units outstanding at the beginning of the year	10,000	625,000	10,000	599,150
Units outstanding at the end of the year	10,000	625,000	10,000	599,150
		Amount in USD		Amount in USD
Units outstanding at the beginning of the year		10,000	10,000	10,000
Units outstanding at the end of the year		10,000	10,000	10,000
b. Details of holding more than 5% shares in the	31 March 2015		31 March 2014	
	No. of Units	% of holding	No. of Units	% of holding
Firstsource Business Process Services LLC	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.			
	Amount in Rupees		Amount in USD	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
4) Reserves and surplus				
Balance in statement of profit and loss				
At the commencement of the year	1,139,874,743	945,120,248	18,237,996	15,121,924
Add : Additions during the year	128,232,396	139,808,956	2,051,718	2,236,943
Add : - Transfer from TL1 and TL2 on dissolution	-	54,945,539	-	879,129
At the end of the year	1,268,107,139	1,139,874,743	20,289,714	18,237,996
5) Trade payables				
Trade payables for services and goods	82,125,443	97,795,479	1,314,007	1,564,730
	82,125,443	97,795,479	1,314,007	1,564,730
6) Other current liabilities				
Related Party				
Amount payable to group companies, Net	-	74,238,463	-	1,187,815
Others				
Statutory Dues	4,830,766	5,511,633	77,292	88,186
Employee Related Payable	80,218,599	82,220,884	1,283,498	1,315,534
	85,049,365	161,970,981	1,360,790	2,591,535
7) Short Term provisions				
Compensated Absences	6,664,803	18,266,820	106,637	292,269
	6,664,803	18,266,820	106,637	292,269

Firstsource Advantage LLC

Notes to the accounts
as at 31 March 2015

8) Fixed Assets

	Tangible Assets					Intangible assets		Grand Total	
	Computers	Network	Office furniture and equipment	Furniture & Fixtures	Leasehold improvements	Total	Software		Total
Gross Block									
As at 1 April 2014 (INR)	150,180,061	203,006,299	99,173,567	108,064,106	72,198,188	632,622,221	245,052,988	245,052,988	877,675,209
Additions during the year	2,274,973	-	2,616,703	678,129	-	5,569,804	2,539,839	2,539,839	8,109,643
Additions on account of merger	-	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2015 (INR)	152,455,034	203,006,299	101,790,270	108,742,235	72,198,188	638,192,026	247,592,827	247,592,827	885,784,853
Accumulated depreciation / amortization									
As at 1 April 2014 (INR)	146,557,654	181,311,034	94,122,621	107,860,385	63,783,949	593,635,644	217,302,156	217,302,156	810,937,800
Accumulated depreciation on account of merger	-	-	-	-	-	-	-	-	-
Charge for the year	1,957,927	9,032,498	2,672,624	716,778	3,405,358	17,785,185	17,639,144	17,639,144	35,424,329
On deletions during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2015 (INR)	148,515,581	190,343,532	96,795,245	108,577,163	67,189,307	611,420,827	234,941,300	234,941,300	846,362,128
Net Block (INR)	3,939,453	12,662,767	4,995,025	165,072	5,008,881	26,771,199	12,651,527	12,651,527	39,422,725
As at 31 March 2015(INR)	3,622,407	21,695,264	5,050,946	203,721	8,414,239	38,986,576	27,750,833	27,750,833	66,737,409
Net Block (USD)	63,031	202,604	79,920	2,641	80,142	428,339	202,424	202,424	630,764
As at 31 March 2014(USD)	57,959	347,124	80,815	3,260	134,628	623,785	444,011	444,011	1,067,796

Firstsource Advantage LLC
Notes to the accounts

as at 31 March 2015

	Amount in Rupees		Amount in USD	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
9) Deferred tax assets				
Deferred tax assets	558,822,601	558,822,601	8,941,162	8,941,162
	558,822,601	558,822,601	8,941,162	8,941,162
10) Long-term loans and advances (Unsecured, considered good)				
Deposits	9,473,587	9,473,542	151,576	151,577
Prepaid expenses	1,320,706	3,183,834	21,132	50,941
	10,794,293	12,657,376	172,708	202,518
11) Trade receivables (unsecured & Considered Good)				
Receivables outstanding for a period exceeding six months from the date they are due for payment				
'- Considered good	-	-	-	-
'- Considered doubtful	150,946	1,958,906	2,415	31,342
Less : Provision for doubtful debts	150,946	1,958,906	2,415	31,342
	-	-	-	-
Other receivables				
'- Considered good	271,572,175	248,475,657	4,345,155	3,975,609
	271,572,175	248,475,657	4,345,155	3,975,609
	271,572,175	248,475,657	4,345,155	3,975,609
12) Cash and bank balances Cash and cash equivalents				
Balance with banks:				
in Trust accounts	28,360,828	480,957,989	453,773	7,695,328
in Current accounts	159,359,303	255,247,053	2,549,749	4,083,953
	187,720,129	736,205,041	3,003,522	11,779,281
Less: balance held in trust accounts	28,360,828	480,957,989	453,773	7,695,328
	159,359,303	255,247,053	2,549,749	4,083,953
13) Short term loans and advances (Unsecured, considered good)				
Prepaid Expenses	12,341,818	33,116,661	197,469	529,867
Advance for expenses	1,025,000	1,025,000	16,400	16,400
	13,366,818	34,141,661	213,869	546,267
14) Other current assets				
Related Party				
Amount Receivable to group companies, Net	98,752,891	-	1,580,046	-
Others				
Receivable Held in Trust Account (Net of Due to Client)	7,550,844	33,214,168	120,814	531,429
Unbilled receivables	282,930,100	209,237,223	4,526,882	3,347,796
	389,233,835	242,451,391	6,227,742	3,879,225

Firstsource Advantage LLC**Notes to the accounts**

as at 31 March 2015

	Amount in Rupees		Amount in USD	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
15) Revenue from operations				
Sale of Services	3,072,710,147	3,233,385,138	49,163,362	51,734,163
	3,072,710,147	3,233,385,138	49,163,362	51,734,163
16) Other income				
Foreign Exchange Loss / (Gain), net	(473,274)	(268,088)	(7,572)	(4,289)
Interest Income	42,114	-	674	-
Miscellaneous receipts	12,638	3,506	202	56
	(418,522)	(264,582)	(6,696)	(4,233)
17) Employee benefits expense				
Salaries and wages	1,548,613,865	1,801,648,471	24,777,822	28,826,376
Contribution to provident and other funds	8,699,973	8,384,444	139,200	134,151
Staff welfare expenses	115,359,718	111,330,771	1,845,755	1,781,292
	1,672,673,556	1,921,363,686	26,762,777	30,741,819
18) Finance cost				
Interest expense	39,605	239,131	634	3,826
	39,605	239,131	634	3,826
19) Other Expenses				
Rent	69,030,056	70,788,126	1,104,481	1,132,610
Rates and taxes	9,923,162	8,207,998	158,771	131,328
Insurance	22,288,896	18,740,148	356,622	299,842
Travelling and conveyance	14,500,139	11,838,778	232,002	189,420
Electricity, water and power consumption	7,437,639	8,532,508	119,002	136,520
Legal and professional fees	92,438,896	105,598,558	1,479,022	1,689,577
Audit Fees	2,106,250	1,513,125	33,700	24,210
Information services	46,424,692	71,404,848	742,795	1,142,478
Car hire charges and other hire charges	5,526,950	6,178,609	88,431	98,858
Communication expenses	269,699,741	270,961,356	4,315,196	4,335,382
Bad debts written off / Provision for doubtful accounts	(1,807,959)	(7,755,884)	(28,927)	(124,094)
Membership fees	242,031	203,486	3,872	3,256
Common corporate expenses	46,654,658	62,939,113	746,475	1,007,026
Computer Expenses	32,946,264	35,601,414	527,140	569,623
Recruitment and training expenses	4,973,919	13,420,319	79,583	214,725
Printing and stationery	8,982,281	10,236,568	143,716	163,785
Marketing and support services	1,805,568	3,130,663	28,889	50,091
Miscellaneous expenses	-	97,648	-	1,562
Repairs, maintenance and Upkeep Charges	29,035,133	21,430,299	464,562	342,885
Software expenses	24,489,640	25,453,932	391,834	407,263
Bank charges	65,049,093	65,438,585	1,040,785	1,047,017
Charitable contribution	173,519	318,974	2,776	5,102
	751,920,567	804,279,171	12,030,727	12,868,466

Firstsource Advantage LLC

Notes to the accounts

as at 31 March 2015

21. 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 non-cancelable operating leases aggregating to Rs. 58,468,019 equivalent to USD 935,488 (31 March 2014: Rs. 65,066,563 equivalent to USD 1,041,065) 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	
	2015	2014	2015	2014
Amount due within one year from the balance sheet date	53,264,063	65,643,875	852,225	1,050,302
Amount due in the period between one year and five years	191,000,875	239,329,938	3,056,014	3,829,279
Amount due after the period of five years	295,127,438	145,197,313	4,722,039	2,323,157
	450,171,125	532,191,563	7,202,738	8,515,065

Rental expenses under cancelable operating leases aggregating to Rs.10,562,036 equivalent to USD 168,993 (31 March 2014: Rs. 10,310,313 equivalent to USD 164,965) have been debited to the profit and loss account.

22. 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 2015, particularly on the amount of tax expense and that of the provision for taxation.

23. Capital commitments

The Company has capital commitments of Rs 25,000 .in USD 400 (31 March 2014: Rs. 45595 in USD 389) as at the balance sheet date.

Firstsource Advantage LLC

Notes to the accounts

as at 31 March 2015

24. Supplementary statutory information (accrual basis)

	31 March 2015	31 March 2014
(i). <i>Earnings in foreign exchange</i>		
Income from services	211905	134,831
Other income	-	-
(ii). <i>Expenditure in foreign currency</i>		
<i>Employee cost</i>	-	-
Travel and conveyance	-	130
Printing and stationery	-	-
Other expenses	-	-

25. Contingent liabilities

The Company has no contingent liabilities as at the balance sheet date (31 March 2014: Nil)

26. Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2015 are summarized below:

Ultimate Holding Company	• Firstsource Solutions Ltd
Holding Company	• Firstsource Business Process Services LLC
Parties with substantial interests	• Firstsource Group USA Inc.
	• Firstsource Transaction Services LLC
	• Firstsource Solutions USA LLC
	• Firstsource Solution UK Limited
	• Anunta Tech Infrastructure Services Limited
	• MedAssist Holding, LLC,
	• Firstsource Solutions Limited – Ireland
	• Firstsource Solutions S.A
Managers	• One Advantage LLC
	• Arjun Mitra
	• Kimberly Nestark

Firstsource Advantage LLC

Notes to the accounts

as at 31 March 2015

26. Related Party Transactions (continued)

Particulars of related party transactions during the year ended 31 March 2015

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)	
		2015	2014	2015	2014	2015	2014	2015	2014
Firstsource Solutions Ltd	Cost of Sales	384,095,085	340,670,000	6,145,521	5,685,880	-	-	-	-
	Recovery of expenses	1,743,209	1,610,000	27,891	26,876	-	-	-	-
	Reimbursement of expenses	23,397,171	40,990,000	374,355	684,090	-	-	-	-
	Receivable/ (Payable)	-	-	-	-	(169,212,027)	(213,940,000)	(2,707,392)	(3,570,982)
Firstsource Group USA Inc.	Reimbursement of expenses	39,950,938	5,153,125	639,215	82,450	-	-	-	-
	Recovery Services	15,211,250	-	243,380	-	-	-	-	-
	Receivable/ (Payable)	-	-	-	-	379,520,306	154,657,896	6,072,325	2,474,526
Firstsource Transaction services	Reimbursement of expenses	6,774,557	4,673,063	108,393	74,769	-	-	-	-

Firstsource Advantage LLC

Notes to the accounts

as at 31 March 2015

26. 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)	
		2015	2014	2015	2014	2015	2014	2015	2014
	Recovery of Expenses	126,040	303,750	2,017	4,860	-	-	-	-
	Receivable/ (Payable)	-	-	-	-	56,548,813	(10,056,125)	(904,781)	(160898)
Medassist Holding LLC.	Recovery of expenses	399,972,419	94,296,625	6,399,559	1508746	-	-	-	-
	Reimbursement of Expenses	209,813,549	-	3,357,017	-	-	-	-	-
	Receivable / (Payable)					(18,558,030)	15,583,438	(296,928)	249,335
Firstsource Business Process Services LLC	Reimbursement of expense	-	182,688	-	2,923	-	-	-	-
	Receivable/(Payable)	-	-	-	-	(182,688)	(182,688)	(2,923)	(2,923)
One Advantage LLC	Cost of Sales	120,715,739	-	1,931,452	-	-	-	-	-
	Reimbursement of Expenses	2,629,737	-	42,078	-	-	-	-	-
	Recovery of Expenses	54,948	-	878	-	-	-	-	-

Firstsource Advantage LLC

Notes to the accounts

as at 31 March 2015

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)	
		2015	2014	2015	2014	2015	2014	2015	2014
	Receivable/(Payable)	-	-	-	-	36,265,875	-	580,254	-
Twin Lake Property I LLC	Rental Expense	-	4,022,513	-	67,137	-	-	-	-
Twin Lake Property II LLC	Rental Expense	-	3,274,834	-	54,658	-	-	-	-
Twin Lake Property I LLC & Twin Lake Property II LLC	Investment	-	35,949,000	-	600,000	-	-	-	-

Firstsource Advantage LLC

Notes to the accounts

as at 31 March 2015

27. 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 31 of the consolidated financial statements).

28. 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 2015. 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 (refer Note 41 of the consolidated financial statements).

29. 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

For and on behalf of the Board of Directors

Praveena Jain

Partner

Membership No: 402256

Mumbai

Date: 05th May 2015

Arjun Mitra

Director

Kimberly Nestark

Director