

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 **Twin Lakes Property LLC - I** ("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 profit of the Company for the year ended on that date.

For Shelesh Singhvi & Co.

Chartered Accountants

Firm Registration No. I4792C

Praveena Jain

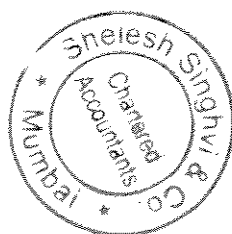
PRAVEENA JAIN

Partner

Membership No: 402256

Place: Mumbai

Date: 7th May, 2013



Twin Lakes Property LLC - I
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
<u>EQUITY AND LIABILITIES</u>					
Shareholders' Funds					
Share Capital	3	-	-	-	-
Reserves and Surplus	4	483,958	(3,825,231)	8,915	(70,465)
Non-current liabilities					
Long-term borrowings	5	120,409,738	131,063,684	2,218,103	2,414,363
Current liabilities					
Trade payables	6	-	1,057,609	-	19,482
Other Current Liabilities	7	5,357,924	-	98,700	-
		126,251,620	128,296,062	2,325,718	2,363,380
<u>ASSETS</u>					
Non current assets					
Fixed assets	8				
Tangible assets		123,007,547	127,024,249	2,265,958	2,339,951
Current assets					
Cash and bank balances	9	3,244,073	1,271,813	59,760	23,428
		3,244,073	1,271,813	59,760	23,428
		126,251,620	128,296,062	2,325,718	2,363,380

Significant accounting policies 2

The accompanying notes from 1 to 20 form an integral part of the financial statement.

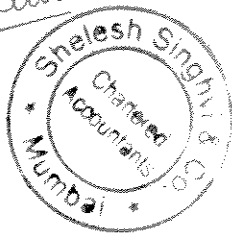
As per our report attached.

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

Praveena Jain

Praveena Jain
Partner
Membership No: 402256

Mumbai
07 May 2013



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra
Manager

Twin Lakes Property LLC - I
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
Other Income	10	25,106,815	25,106,816	462,500	462,500
		25,106,815	25,106,816	462,500	462,500
Expenses					
Finance cost	11	10,942,854	12,352,034	201,582	227,540
Depreciation and amortization	8	4,016,701	4,016,701	73,993	73,993
Other expenses	12	5,838,125	10,111,039	107,546	278,068
		20,797,680	26,479,774	383,121	579,601
Profit Before Taxation		4,309,135	(1,372,956)	79,380	(117,101)
Provision for Tax		-	-	-	-
Profit After Taxation		4,309,135	(1,372,956)	79,380	(117,101)

Significant accounting policies 2

The accompanying notes from 1 to 20 form an integral part of the financial statement.

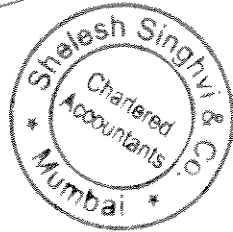
As per our report of even date attached.

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

Arjun Mitra

Arjun Mitra
Manager

Twin Lakes Property LLC - I
Cash flow statement
for the year ended 31 March 2013

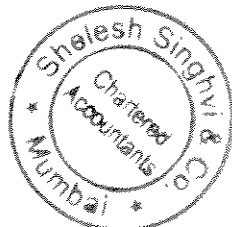
	In Rupees		In USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Cash flow from operating activities				
Net profit after tax	4,309,135	(6,356,797)	79,380	(117,100)
Adjustments for				
Depreciation and amortization	4,016,718	4,016,701	73,993	73,993
Interest costs	10,942,853	12,352,034	201,582	227,540
Operating cash flow before changes in working capital	19,268,706	10,011,938	354,955	184,433
Changes in working capital				
Decrease / (Increase) in Loans and advances	0	9,583,034	0	176,532
Increase in Current liabilities and provisions	(1,057,581)	1,057,539	(19,482)	19,481
Net changes in working capital	(1,057,581)	10,640,573	(19,482)	196,013
Income taxes paid	-	-	-	-
Net cash generated from operating activities (A)	18,211,125	20,652,511	335,473	380,446
Cash flow from financing activities				
Repayment of unsecured loan - Others	(5,296,014)	(4,460,874)	(97,559)	(82,175)
Interest paid	(10,942,853)	(12,352,034)	(201,582)	(227,540)
Dividend paid	-	(4,044,992)	-	(74,514)
Net cash used in financing activities (B)	(16,238,866)	(20,857,900)	(299,141)	(384,229)
Net decrease in cash and cash equivalents (A+B)	1,972,258	(205,389)	36,332	(3,783)
Cash and cash equivalents at the beginning of the year	1,271,813	1,477,150	23,428	27,211
Cash and cash equivalents at the end of the year*	3,244,073	1,271,761	59,760	23,428

* Refer schedule 7 for components of cash and cash equivalents.

As per our report attached.

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

Praveena Jain
Praveena Jain
Partner
Membership No: 402256



Mumbai
07 May 2013

For and on behalf of the Board of Directors

Arjun Mitra
Arjun Mitra
Manager

Twin Lakes Property LLC - I

Notes to the accounts

as at 31 March 2013

1 Background

Twin Lakes Property LLC – I ('the Company') was incorporated under the laws of the State of New York, USA.

Effective 1 April 2010, 80% holding(voting rights) in the Company was acquired by Firstsource Advantage LLC - a subsidiary of Firstsource Business Process Services LLC, which in turn is wholly owned subsidiary of Firstsource Group USA Inc. Firstsource Group USA Inc. is wholly owned subsidiary of Firstsource Solutions Limited, a company incorporated in India.

Further Effective 31st December 2012, 20% Holding (voting rights) in the company is acquired by Firstsource Advantage LLC which results 100% Holding (voting rights) in the company by Firstsource Advantage LLC.

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 States Dollar ('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.

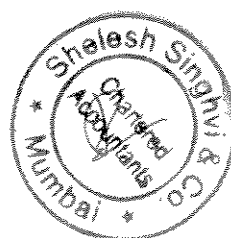
2.3 Revenue recognition

Revenue is recognized on a time proportionate basis.

Rental income is recognized using the time proportion method.

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.



Twin Lakes Property LLC - I

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>Tangible</i>	
Building	27
Network	3 – 5

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

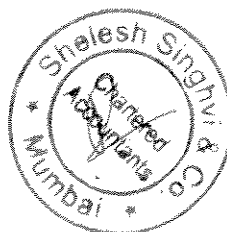
2.5 Impairment of assets

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. 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. 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.



Twin Lakes Property LLC - I

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 current assets and current liabilities 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

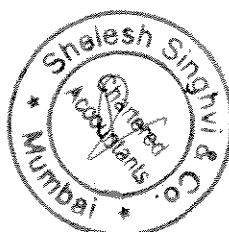
Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit 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.



Twin Lakes Property LLC - I

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

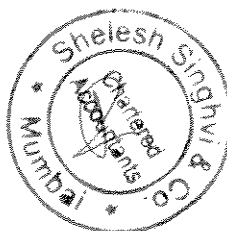
Contributions payable to the social security, medicare and other employee related contributions as required under the State of New York are charged to the statement of profit and loss.

2.11 Investments

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

Long term 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.

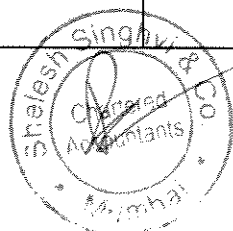


Twin Lakes Property LLC - I

Notes to the accounts

as at 31 March 2013

Particulars	Amount in Rupees		Amount in USD	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
3) Share Capital				
Issued, Subscribed and paid up :	-	-	-	-
	-		-	
A. Details of voting rights holding more than 5% in the Company			% of Holding	% of Holding
Firstsource Advantage LLC			100	80
Onex Twin Lake Group LLC			0	20
4) Reserves and surplus				
Balance in Profit and Loss account				
Opening balance	(3,825,177)	6,576,558	(70,465)	121,149
Add : Additions during the year	4,309,135	(6,356,797)	79,380	(117,100)
Less: Dividend declared	-	(4,044,992)	-	(74,514)
	483,958	(3,825,231)	8,915	(70,465)
5) Long term Borrowings				
(Unsecured)				
Loan from related party				
Loan from Firstsource Group USA, Inc. (Rate of Interest 8.40 %, Loan repayable in 16 Years that starts from August 2010 which repayable in monthly instalment of \$ 24354.23)	120,409,738	131,063,684	2,218,103	2,414,363
	120,409,738	131,063,684	2,218,103	2,414,363
6) Trade payables				
Trade payables	-	1,057,609	-	19,482
	-	1,057,609	-	19,482
7) Other Current Liabilities				
Current Maturities of Long Term Borrowings	5,357,924	-	98,700	-
	5,357,924	-	98,700	-
9) Cash and Bank Balances				
Balance with banks: in current accounts	3,244,073	1,271,813	59,760	23,428
	3,244,073	1,271,813	59,760	23,428



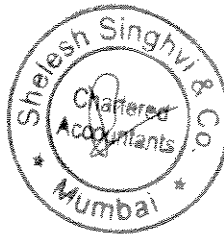
Twin Lakes Property LLC - I

Notes to the accounts

as at 31 March 2013

8) Fixed Assets

Particulars	Tangible Assets				
	Networks	Office Furniture and Equipment	Land	Building	Total
Gross Block					
As at 1 April 2012	437,211	313,984	26,897,240	146,247,264	173,895,700
Additions during the year	-	-	-	-	-
Additions on account of business acquisitions	-	-	-	-	-
Deletions during the year	-	-	-	-	-
As at 31 March 2013	437,211	313,984	26,897,240	146,247,264	173,895,700
Accumulated depreciation / amortization					
As at 1 April 2012	-	-	-	46,871,452	46,871,452
Accumulated depreciation on business acquisitions	-	-	-	-	-
Charge for the year	-	-	-	4,016,701	4,016,701
On deletions during the year	-	-	-	-	-
As at 31 March 2013	-	-	-	50,888,153	50,888,153
Net Block (INR)	437,211	313,984	26,897,240	95,359,111	123,007,547
As at 31 March 2012 (INR)	437,211	313,984	26,897,240	99,375,813	127,024,249
Net Block (USD)	8,054	5,784	495,482	1,756,638	2,265,958
As at 31 March 2012 (USD)	8,054	5,784	495,482	1,830,631	2,339,951

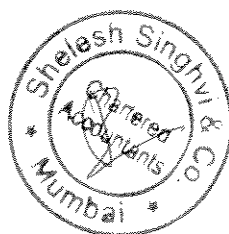


Twin Lakes Property LLC - I

Notes to the accounts

for the year ended 31 March 2013

Particulars	Amount in Rupees		Amount in USD	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
10) Other Income				
Rental Income	25,106,815	25,106,816	462,500	462,500
	25,106,815	25,106,816	462,500	462,500
11) Finance charge				
Interest Expense	10,942,853	12,352,034	201,582	227,540
	10,942,853	12,352,034	201,582	227,540
12) Other Expenses				
Insurance	533,981	492,910	9,837	9,080
Rent	-	9,582,979	-	176,531
Rates and Taxes	5,289,635	4,983,839	97,442	91,809
Bank Charges	14,509	35,150	267	648
	5,838,125	10,111,039	107,546	278,068



Twin Lakes Property LLC - I

Notes to the accounts

as at 31 March 2013

13 Leases

The Company does not have any operating leases.

14 Capital commitments

The Company has no capital commitments as at the balance sheet date.

15 EPS

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

16 Contingent liabilities

The Company has no contingent liabilities as at the balance sheet date.

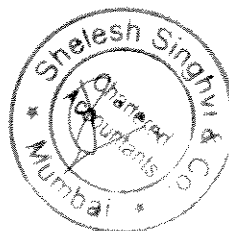
17 Segmental Reporting

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 only on the basis of the consolidated financial statements (refer Note 32 of the consolidated financial statements)

18 Related Party Transactions

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

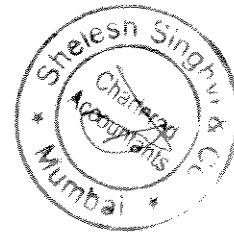
Ultimate Holding company	• Firstsource Solutions Ltd
Holding Company	• Firstsource Advantage LLC
Parties With Substantial Interest	• Firstsource Group USA Inc.



Twin Lakes Property LLC - I

Notes to the accounts
as at 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 at (In Rupees)		Receivable / Payable at (In USD)	
		2013	2012	2013	2012	2013	2012	2013	2012
Firstsource Advantage LLC	Rental Income	25,106,816	25,106,816	462,500	462,500	-	-	-	-
	Dividend paid	-	3,225,994	-	59,611	-	-	-	-
Firstsource Group USA Inc.	Interest expense	10,942,852	12,352,009	201,581	227,540	-	-	-	-
	Loan repaid	5,296,045	4,460,816	97,560	82,174	125,767,651	131,063,695	2,414,363	2,414,363



Twin Lakes Property LLC - I

Notes to the accounts
as at 31 March 2013

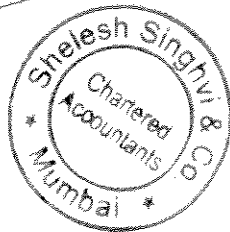
- 19 There are no Micro, Small and Medium Enterprises to whom the Company Owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Developments Act, 2006 has been determined to the extent such parties have been identified on the Basis of information available with the Company
- 20 **Prior period comparatives**
Previous year's figures have been appropriately regrouped/ reclassified to conform to current year's presentation.

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

Arjun Mitra

Arjun Mitra
Manager