

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 – Dialog Solutions (Private) Limited** (“the Company”) as at March 31st, 2014 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, 2014.
- 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: 2nd May, 2014



FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED
BALANCE SHEET

as at 31 March 2014

	Notes	Amount in Rupees	Amount in Rupees	Amount in LKR	Amount in LKR
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	48,900,610	48,900,610	106,700,000	106,700,000
Reserves and Surplus	4	6,836,879	(1,826,200)	14,917,911	(3,984,727)
		55,737,489	47,074,410	121,617,911	102,715,273
Non-current liabilities					
Long-term provisions	5	4,020,472	3,422,284	8,772,576	7,467,344
		4,020,472	3,422,284	8,772,576	7,467,344
Current liabilities					
Trade Payables	6	6,955,864	12,949,146	15,177,539	28,254,742
Other current liabilities	7	26,350,295	8,195,789	57,495,731	17,883,021
Short-term provisions	8	-	1,007,075	-	2,197,415
		33,306,159	22,152,010	72,673,270	48,335,178
		93,064,120	72,648,704	203,063,757	158,517,795
ASSETS					
Non-current assets					
Fixed Assets					
Tangible assets	9	7,099,926	6,219,797	15,491,875	13,571,452
Intangible assets		2,123,378	3,181,525	4,633,163	6,942,013
		9,223,304	9,401,322	20,125,038	20,513,465
Long term loans and advances	10	1,982,391	1,415,296	4,325,532	3,088,143
Current Assets					
Trade receivables	11	45,063,680	38,441,760	98,327,904	83,879,037
Cash and bank balances	12	29,729,525	16,271,946	64,869,135	35,505,010
Short term loans and advances	13	7,065,220	7,118,381	15,416,148	15,532,140
		81,858,425	61,832,087	178,613,187	134,916,187
		93,064,120	72,648,705	203,063,757	158,517,795

Significant accounting policies 2

The accompanying notes from 1 to 27 form an integral part of this financial statement

As per our report of even date attached.

For SHELESH SINGHVI & CO.

Chartered Accountants

Firm's Registration No: 014792C

Praveena Jain

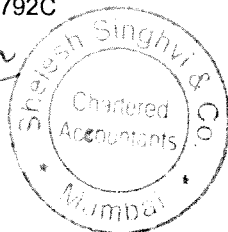
Praveena Jain

Partner

Membership No: 402256

Mumbai

02 May 2014



For and on behalf of the Board of Directors

Sanjay Venkataraman

Director

 Dinesh Jain
Director

 Shalabh Jain
Director

Dr. Hans. Wijayasuriya

Director

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED

STATEMENT OF PROFIT AND LOSS

for the period ended on 31 March 2014

	Notes	Amount in Rupees	Amount in Rupees	Amount in LKR	Amount in LKR
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
INCOME					
Revenue from Services	14	231,970,675	213,740,179	506,154,648	466,376,127
Other Income		550,307	784,994	1,200,757	1,712,838
		232,520,982	214,525,173	507,355,405	468,088,965
EXPENSES					
Employee benefits expense	15	137,141,787	121,362,624	299,240,207	264,810,440
Depreciation and Amortisation	9	4,437,478	16,394,787	9,682,475	35,773,047
Other Expenses	16	82,151,536	90,647,570	179,252,746	197,790,902
		223,730,801	228,404,981	488,175,428	498,374,389
Profit Before Taxation		8,790,181	(13,879,808)	19,179,977	(30,285,424)
Provision for Taxes					
- Current tax Expense		-	-	-	-
- Previous year tax		127,104	(461,531)	277,339	(1,007,049)
Profit After Taxation		8,663,077	(13,418,277)	18,902,638	(29,278,375)

Earnings per Share

Number of shares used in computing earnings per share

Basic and diluted 10,670,000 10,670,000 10,670,000 10,670,000

Nominal Value Per Share 0.43 0.43 1 1

Basic and diluted earnings per share 0.81 (1.26) 1.77 (2.74)

Significant accounting policies 2

The accompanying notes from 1 to 27 form an integral part of this financial statement

As per our report of even date attached.

For **SHELESH SINGHVI & CO.**

Chartered Accountants

Firm's Registration No: 014792C

Praveena Jain

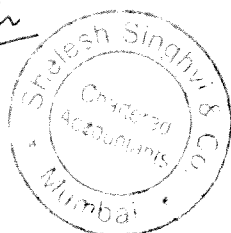
Praveena Jain

Partner

Membership No: 402256

Mumbai

02 May 2014



For and on behalf of the Board of Directors |

Sanjay Venkataraman

Director

Dinesh Jain

Director

Shalabh Jain

Director

Dr. Hans. Wijayasuriya

Director

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED
CASH FLOW STATEMENT

for the year ended 31 March 2014

	Amount in Rupees		Amount in LKR	
	2014	2013	2014	2013
Cash flow from operating activities				
Net profit before tax	8,790,181	(13,879,808)	19,179,977	(30,285,424)
Adjustments for				
Depreciation and amortisation	4,437,478	16,394,787	9,682,475	35,773,047
Loss on Sales of Fixed Asset	(13,199)	6,451	(28,800)	14,075
Interest and dividend income	(677,315)	(1,087,649)	(1,477,886)	(2,373,224)
Deferred tax credit				-
Operating cash flow before changes in working capital	12,537,145	1,433,781	27,355,766	3,128,474
Changes in working capital				
(Increase) in Trade receivables	(6,621,917)	10,019,341	(14,448,869)	21,861,968
(Increase) in Loans and advances	(513,936)	(404,309)	(1,121,396)	(882,194)
Increase in Current liabilities	18,154,506	1,821,916	39,612,713	3,975,380
Increase in Provisions	(408,887)	(2,492,217)	(892,183)	(5,437,959)
Increase in Trade Payable	(5,993,279)	785,073	(13,077,204)	1,713,019
Net changes in working capital	4,616,487	9,729,804	10,073,061	21,230,214
Income taxes paid	(127,104)	461,531	(277,339)	1,007,049
Net cash generated from operating activities (A)	17,026,528	11,625,116	37,151,488	25,365,737
Cash flow from investing activities				
Sale of Fixed Assets (Scrap)	13,199	10,999	28,800	24,000
Investment in Deposits	(31,508)	(31,508)	(68,750)	(68,750)
Sale of investment in Deposits	31,508	126,491	68,750	276,000
Interest and dividend income received	677,315	1,087,649	1,477,886	2,373,224
Capital expenditure	(4,259,463)	(7,749,417)	(9,294,049)	(16,909,049)
Net cash used in investing activities (B)	(3,568,949)	(6,555,786)	(7,787,363)	(14,304,575)
Cash flow from financing activities				
Net cash used in financing activities (C)	-	-	-	-
Net increase in cash and bank balance	13,457,579	5,069,330	29,364,125	11,061,162
Cash and bank balance at the beginning of the year*	16,271,946	11,202,616	35,505,010	24,443,848
Cash and bank balance at the end of the year*	29,729,525	16,271,946	64,869,135	35,505,010

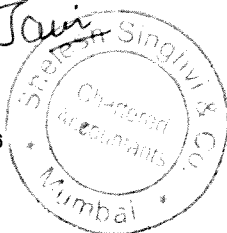
* Refer schedule 12 for components of cash and cash equivalents.
As per our report of even date attached.

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

Praveena Jain

Praveena Jain
Partner
Membership No: 402256

Mumbai
02 May 2014



For and on behalf of the Board of Directors

Sanjay Venkataraman
Director

Dinesh Jain
Director

Shalabh Jain
Director

Dr. Hans. Wijayasuriya
Director

Shalabh Jain

Firstsource Dialog Solutions Private Limited

Notes to the accounts

for the year ended at 31 March 2014

1 Background

Firstsource Solutions Ltd. (FSL) acquired 74% stake in Dialog Business Services (Private) Limited (DBS), a company incorporated in Sri Lanka on 13 May 2011 from Dialog Axiata PLC (DAP). On the same day, the Company infused additional capital. Against the investment, the company has acquired all the Fixed Assets of DBS. These assets were transferred by DAP to DBS by way of an asset purchase agreement on April 29, 2011. FSL renamed the acquired entity as Firstsource Dialog Solutions (Private) Ltd on 6th June 2011.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of Firstsource Dialog Solutions Private Limited ('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 (Sri Lanka) in the terms of Sri Lankan Rupee ('LKR'). 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 2014 which is 1 LKR = Rs.0.4583. No representation is made that LKR 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 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 Dialog Solutions Private Limited

Notes to the accounts

for the year ended at 31 March 2014

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
<i>Tangible</i>	
Leasehold improvements	5 or Lease term which ever is shorter
Computers	3 – 4
Furniture & Fixtures	3 – 5
Networks	3 – 5
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 Dialog Solutions Private Limited

Notes to the accounts

for the year ended at 31 March 2014

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 Company profits are exempted under Board of Investments (BOI) regulations for 7 years. In this regard, the Company recognises deferred taxes in respect of those originating timing differences which reverse after the tax holiday period resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and, therefore, no deferred taxes are recognised in respect of the same.

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 Dialog Solutions Private Limited

Notes to the accounts

for the year ended at 31 March 2014

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 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-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.

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED

Notes to the accounts

as at 31 March 2014

	Amount in Rupees	Amount in Rupees	Amount in LKR	Amount in LKR	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	
3) Share Capital					
Authorised 10,670,000 (31 March 2013: 10,670,000) Equity Shares of LKR 10 each	48,900,610	48,900,610	106,700,000	106,700,000	
Issued, Subscribed and Paid up 10,670,000 (31 March 2013: 10,670,000) Equity Shares of LKR 10 each	48,900,610	48,900,610	106,700,000	106,700,000	
	48,900,610	48,900,610	106,700,000	106,700,000	
a. Reconciliation of number of shares outstanding					
At the commencement of the year Addition During the Year At the end of the year	31 March 2014		31 March 2013		
	No. of shares	Amount (Rs.)	Amount (LKR)	No. of shares	Amount (Rs.)
	10,670,000	46,041,050	106,700,000	10,670,000	46,041,050
	-	-	-	-	-
	10,670,000	46,041,050	106,700,000	10,670,000	46,041,050
b. Details of shareholders holding more than 5% shares in the					
Firstsource Solution Ltd. Dialog Axiata PLC	31 March 2014		31 March 2013		
	No. of shares	% of holding	No. of shares	% of holding	
	7,895,800	74	7,895,800	74	
	2,774,200	26	2,774,200	26	
4) Reserves and Surplus					
Balance in statement of profit and loss					
At the commencement of the year	(1,826,200)	11,592,079	(3,984,727)	25,293,648	
Add: Net profit \ (Loss) for the year	8,663,079	(13,418,279)	18,902,638	(29,278,375)	
At the end of the year	6,836,879	(1,826,200)	14,917,911	(3,984,727)	
	6,836,879	(1,826,200)	14,917,911	(3,984,727)	
5) Long-term provisions					
Gratuity	4,020,472	3,422,284	8,772,576	7,467,344	
	4,020,472	3,422,284	8,772,576	7,467,344	
6) Trade Payables					
Trade Payables for services & goods	6,955,864	12,949,146	15,177,539	28,254,742	
	6,955,864	12,949,146	15,177,539	28,254,742	

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED

Notes to the accounts

as at 31 March 2014

	Amount in	Amount in	Amount in	Amount in
	Rupees	Rupees	LKR	LKR
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
7) Other Current Liabilities				
Related party				
Payable to group companies, net	1,625,084	640,337	3,545,895	1,397,200
Statutory Dues				
Employee related dues	2,180,621	1,810,345	4,758,063	3,950,130
Stamp duty payable	11,997	12,695	26,175	27,700
Value added tax and Nation building tax	2,757,581	1,864,837	6,016,978	4,069,031
Economic Service charge payable	157,730	133,890	344,163	292,145
Others				
Unbilled Revenue	16,528,017	2,573,220	36,063,752	5,614,706
Creditors for capital goods	907,610	1,126,730	1,980,383	2,458,500
Employee related payable	489,330	33,735	1,067,709	73,609
Book credit in bank account	1,692,325		3,692,613	
	26,350,295	8,195,789	57,495,731	17,883,021
8) Short-term provisions				
Leave Encashment	-	1,007,075	-	2,197,415
	-	1,007,075	-	2,197,415

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED

Notes to the accounts
as at 31 March 2014

9) Fixed Assets

	Tangible Assets					Intangible Assets			Grand Total
	Leasehold Improvement	Computers	Service Equipment	Furniture, Fixture and office equipments	Total	Software	Total		
Gross Block									
As at 1 April 2013 (INR)	6,526,769	9,181,014	6,293,772	13,176,298	35,177,853	4,353,605	4,353,605	39,531,458	
Additions during the year	-	43,004	4,198,587	17,872	4,259,463	-	-	4,259,463	
Deletions during the year	-	264,324	162,491	-	426,815	-	-	426,815	
As at 31 March 2014 (INR)	6,526,769	8,959,694	10,329,868	13,194,170	39,864,131	4,353,605	4,353,605	44,217,736	
Accumulated depreciation / amortization									
As at 1 April 2013 (INR)	6,264,101	5,691,365	5,285,054	11,717,537	28,958,057	1,172,081	1,172,081	30,130,138	
Charge for the year	252,470	1,266,879	1,152,816	707,167	3,379,331	1,058,146	1,058,146	4,437,477	
On deletions during the year	-	264,324	162,491	-	426,815	-	-	426,815	
As at 31 March 2014 (INR)	6,516,571	6,693,920	6,275,379	12,424,704	32,764,203	2,230,227	2,230,227	34,994,430	
Net Block (INR)									
As at 31 March 2014	10,198	2,265,774	4,054,489	769,466	7,099,928	2,123,378	2,123,378	9,223,306	
As at 31 March 2013	262,668	3,489,649	1,032,628	1,434,851	6,219,997	3,181,525	3,181,525	9,401,521	
Net Block (LKR)									
As at 31 March 2014	22,252	4,943,866	8,846,801	1,678,956	15,491,875	4,633,163	4,633,163	20,125,037	
As at 31 March 2013	573,135	7,614,334	2,253,170	3,130,813	13,571,452	6,942,013	6,942,013	20,513,465	

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED
Notes to the accounts

for the year ended 31 March 2014

	Amount in Rupees	Amount in Rupees	Amount in LKR	Amount in LKR
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
10) Long term loans and advances (Unsecured, considered good)				
Sundry Deposits	260,658	260,658	568,750	568,750
Advance tax and tax deducted at source	1,721,733	1,154,638	3,756,782	2,519,393
	1,982,391	1,415,296	4,325,532	3,088,143
11) Trade Receivables (unsecured and considered good, unless stated otherwise)				
Receivable outstanding for more than six months				
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
Other Receivable				
Considered good	45,063,680	38,441,760	98,327,904	83,879,037
Considered doubtful	-	-	-	-
	45,063,680	38,441,760	98,327,904	83,879,037
12) Cash and Bank Balances				
Cash in hand	-	-	-	-
Balance with banks:				
in deposit accounts less than 3 months	-	-	-	-
in current accounts	29,729,525	16,271,946	64,869,135	35,505,010
	29,729,525	16,271,946	64,869,135	35,505,010
13) Short term loans and advances (unsecured and considered good)				
Others Advances	271,319	354,800	592,011	774,165
Prepaid Expenses	6,793,901	6,763,581	14,824,137	14,757,975
	7,065,220	7,118,381	15,416,148	15,532,140

FIRSTSOURCE-DIALOG SOLUTIONS (PRIVATE) LIMITED
Notes to the accounts
for the year ended 31 March 2014

	Amount in Rupees	Amount in Rupees	Amount in LKR	Amount in LKR
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
14) Other Income				
Interest	677,315	1,087,649	1,477,886	2,373,224
Foreign Exchange (Loss) / Gain	(127,008)	(302,655)	(277,129)	(660,386)
	550,307	784,994	1,200,757	1,712,838
15) Employee Benefit expenses				
Salaries,bonus and other allowances	116,876,451	97,746,608	255,021,713	213,280,839
Contribution to provident and other funds	12,211,104	11,746,826	26,644,346	25,631,303
Staff welfare expenses	8,054,232	11,869,190	17,574,148	25,898,298
	137,141,787	121,362,624	299,240,207	264,810,440
16) Other expenses				
Rent	30,396,729	28,776,958	66,324,960	62,790,657
Rates and Taxes	2,292	12,943	5,000	28,241
Insurance	4,486,992	6,202,851	9,790,512	13,534,478
Travelling and conveyance	764,327	1,975,118	1,667,743	4,309,662
Electricity, Water and power consumption	19,507,589	18,499,023	42,565,108	40,364,441
Legal and Professional fees	2,316,871	8,268,719	5,055,359	18,042,154
Auditors remuneration				-
Audit fees	190,928	107,242	416,600	234,000
Others	86,665	60,095	189,100	131,126
Communication Expenses	1,240,393	1,345,166	2,706,509	2,935,121
Connectivity Charges	1,439,318	1,296,417	3,140,559	2,828,752
Membership fees	171,158	34,105	373,463	74,417
Computer Expenses	868,947	684,576	1,896,022	1,493,730
Recruitment / Training expenses	621,165	525,559	1,355,367	1,146,757
Printing and Stationery	565,920	453,806	1,234,825	990,194
Marketing and Support Services	3,272	7,357	7,140	16,052
Advertisement & publicity	4,583	2,292	10,000	5,000
Guest House Expense	24,023	141,780	52,417	309,360
Bank Charges	66,518	64,090	145,140	139,844
Car Hire and other Hire charges	12,236,477	14,441,281	26,699,709	31,510,540
Meetings & seminar expenses	27,097	96,297	59,125	210,119
Maintenance and upkeep	7,059,560	7,555,347	15,403,797	16,485,593
(Gain) / Loss on sale of Fixed assets / Written off	(13,199)	6,451	(28,800)	14,075
Miscellaneous Expenses	79,786	90,097	174,091	196,590
Registration Fees	4,125	-	9,000	-
	82,151,536	90,647,570	179,252,746	197,790,903

Firstsource Dialog Solutions Private Limited

Notes to the accounts as at 31 March 2014

17. Leases

The Company has taken office facilities under non cancelable operating leases. The Company intends to renew such lease in the normal course of its business. Rental expenses under non cancelable operating leases aggregating to Rs. 30,323,772 equivalent to LKR 66,165,768 (31st March 2013: Rs. 25,456,725 equivalent to LKR 58,995,886) have been debited to the statement of profit and loss.

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

Particulars	Amount in Rupees	Amount in Rupees	Amount in LKR	Amount in LKR
	2014	2013	2014	2013
Amount due within one year from the balance sheet date	33,356,149	30,396,729	72,782,345	66,324,960
Amount due in the period between one year and five years	42,901,138	76,440,758	93,609,291	166,791,966
Total	76,257,287	106,837,487	166,391,636	233,116,926

Rental expenses under cancelable operating leases aggregating to Rs. 72,958 equivalent to LKR 159,192 (31st March 2013: Rs. 595,576 equivalent to LKR 1,299,532) have been debited to the statement of profit and loss.

18. 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 2014, particularly on the amount of tax expense and that of the provision for taxation.

Firstsource Dialog Solutions Private Limited

Notes to the accounts
as at 31 March 2014

19. Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2014 are summarized below:

Holding Company	• Firstsource Solutions Ltd
Parties with substantial interests	• Dialog Axiata PLC
	• Firstsource Group USA Inc.
	• Firstsource Transaction Services LLC
	• Firstsource Solutions USA LLC
	• Firstsource Solution UK Limited
	• Anunta Tech Infrastructure Services Limited
	• MedAssist Holding, Inc.,
	• Firstsource Advantage LLC

Particulars of related party transactions during the year ended 31 March 2014

Name of the related party	Description	Transaction value during the year ended 31.03.14	Transaction value during the year ended 31.03.13	Transaction value during the year ended 31.03.14	Transaction value during the year ended 31.03.13	Receivable / Payable at 31.03.14	Receivable / Payable at 31.03.13
		(Rupees)	(Rupees)	(LKR)	(LKR)	(In Rupees)	(In LKR)
Firstsource Solutions Ltd	Reimbursement of Expenses	1,392,260	-	3,037,880	-	2,683,063	-
	Recovery of expenses	-	914,364	-	1,995,121	-	1,397,200
	Issue of shares	-	-	-	-	100,761,999	100,761,999
Dialog Axiata PLC	Issue of shares	-	-	-	-	35,402,864	35,402,864
	Reimbursement of Expenses	-	-	-	-	862,830	862,830

Firstsource Dialog Solutions Private Limited

Notes to the accounts as at 31 March 2014

20. Capital commitments

The Company has capital commitments of LKR 1,498,000 equivalent to INR 686,533 as at the balance sheet date (31st March 2013:- LKR 543,650 equivalent to INR 249,155).

21. Supplementary statutory information (accrual basis)

	31 March 2014	31 March 2013
(i). <i>Expenditure in foreign currency</i>		
Employee cost	-	847,121
Travel and conveyance	-	997,086
Maintenance and upkeep	1,854,700	4,800,400
Connectivity charges	-	16,716
Other expenses	-	93,210

22. Contingent liabilities

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

23. Provision for Tax

There is no current tax provision for the financial year 2012-13 due to availment of Tax Holiday.

24. Gratuity Fund

On the basis of Actuarial Valuation report, closing liability related to gratuity has restated as on balance sheet date.

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 31 of the consolidated financial statements)

Firstsource Dialog Solutions Private Limited

Notes to the accounts
as at 31 March 2014

26. Micro, Small and Medium scale Business entities:

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 2014. 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 38 of the consolidated financial statements).

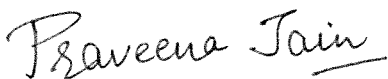
27. Previous year's figures have been appropriately regrouped/ reclassified to conform to current year's presentation.

As per our report of even date attached.

For SHELESH SINGHVI & CO.

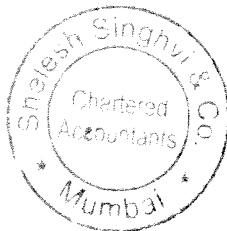
Chartered Accountants

Firm's registration no: 014792C



Praveena Jain

Partner



Mumbai

02 May 2014

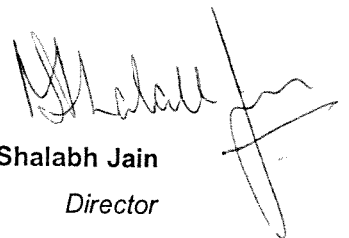
For and on behalf of the Board of Directors

Sanjay Venkataraman

Director



Dinesh Jain
Director



Shalabh Jain

Director

Dr. Hans. Wijayasuriya
Director