

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, 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



Twin Lakes Property LLC - I
Balance Sheet
as at 27 March 2014

	Note	Amount in Rupees		Amount in USD	
		27 March 2014	31 March 2013	27 March 2014	31 March 2013
<u>EQUITY AND LIABILITIES</u>					
Shareholders' Funds					
Share Capital	3	-	-	-	-
Reserves and Surplus	4	-	534,151	-	8,915
Non-current liabilities					
Long-term borrowings	5	-	132,897,660	-	2,218,103
Current liabilities					
Other Current Liabilities	6	-	5,913,604	-	98,700
		-	139,345,415	-	2,325,718
<u>ASSETS</u>					
Non current assets					
Fixed assets					
Tangible assets	7	-	135,764,893	-	2,265,958
Current assets					
Cash and bank balances	8	-	3,580,522	-	59,760
		-	3,580,522	-	59,760
		-	139,345,415	-	2,325,718

Significant accounting policies 2

The accompanying notes from 1 to 19 form an integral part of the financial statement.

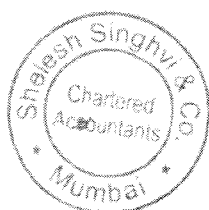
As per our report attached.

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

Praveena Jain

Praveena Jain
Partner
Membership No: 402256

Mumbai
02 May 2014



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 period ended 27 March 2014

	Note	Amount in Rupees		Amount in USD	
		27 March 2014	31 March 2013	27 March 2014	31 March 2013
Other Income	9	66,557,813	27,710,690	1,110,871	462,500
		66,557,813	27,710,690	1,110,871	462,500
Expenses					
Finance cost	10	1,714,019	12,077,757	28,608	201,582
Depreciation and amortization	7	643,541	4,433,281	10,741	73,993
Other expenses	11	2,325,135	6,443,608	38,807	107,546
		4,682,695	22,954,646	78,156	383,120
Profit Before Taxation		61,875,118	4,756,044	1,032,715	79,380
Provision for Tax		-	-	-	-
Profit After Taxation		61,875,118	4,756,044	1,032,715	79,380

Significant accounting policies 2

The accompanying notes from 1 to 19 form an integral part of the financial statement.

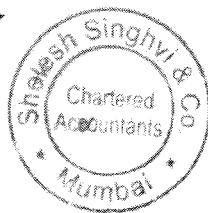
As per our report of even date attached.

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

Praveena Jain

Praveena Jain
Partner
Membership No: 402256

Mumbai
02 May 2014



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra
Manager

Twin Lakes Property LLC - I
Cash flow statement
for the period ended 27 March 2014

	Amount in Rupees		Amount in USD	
	27 March 2014	31 March 2013	27 March 2014	31 March 2013
Cash flow from operating activities				
Net profit after tax	61,875,118	4,309,135	1,032,715	79,380
Adjustments for				
Depreciation and amortization	643,541	4,016,718	10,741	73,993
(Profit) / loss on sale of fixed assets net	(62,535,294)		(1,043,734)	
Interest costs	1,714,018	10,942,853	28,608	201,582
Operating cash flow before changes in working capital	1,697,383	19,268,705	28,330	354,955
Changes in working capital				
Decrease / (Increase) in Loans and advances	-	-	-	-
Increase in Current liabilities and provisions	0	(1,057,581)	-	(19,482)
Net changes in working capital	0	(1,057,580)	-	(19,482)
Income taxes paid	-		-	
Net cash generated from operating activities (A)	1,697,383	18,211,125	28,330	335,473
Cash flow from investing activities				
Sale of fixed assets	197,656,646	0	3,298,951	-
Net cash generated from investing activities (B)	197,656,646	-	3,298,951	-
Cash flow from financing activities				
Repayment of unsecured loan - Others	(138,811,325)	(5,296,013)	(2,316,804)	(97,559)
Interest paid	(1,714,018)	(10,942,853)	(28,608)	(201,582)
Transfer of reserves to parent company on dissolution	(62,409,270)	0	(1,041,630)	-
Net cash used in financing activities (B)	(202,934,613)	(16,238,864)	(3,387,042)	(299,140)
Net decrease in cash and cash equivalents (A+B)	(3,580,584)	1,972,260	(59,761)	36,333
Cash and cash equivalents at the beginning of the year	3,530,583	1,271,813	59,761	23,428
Cash and cash equivalents at the end of the year*	-	3,244,074	-	59,761

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

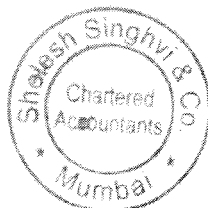
As per our report attached.

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

Praveena Jain

Praveena Jain
Partner
Membership No: 402256

Mumbai
02 May 2014



For and on behalf of the Board of Directors

Arjun Mitra

Arjun Mitra
Manager

Twin Lakes Property LLC - I

Notes to the accounts

for the period ended 27 March 2014

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.

Further Effective 27th March 2014 company dissolved.

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 59.915. 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

for the period ended 27 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>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

for the period ended 27 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 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
for the period ended 27 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 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 27 March 2014

Particulars	Amount in Rupees		Amount in USD	
	27 March 2014	31 March 2013	27 March 2014	31 March 2013
3) Share Capital				
Issued, Subscribed and paid up :	-	-	-	-

A. Details of voting rights holding more than 5% in the Company

Firstsource Advantage LLC
Onex Twin Lake Group LLC

26 March 2014	31 March 2013
% of Holding	% of Holding
0	100
0	0

Particulars	Amount in Rupees		Amount in USD	
	27 March 2014	31 March 2013	27 March 2014	31 March 2013
4) Reserves and surplus				
Balance in Profit and Loss account				
Opening balance	534,151	(4,221,893)	8,915	(70,465)
Add : Additions during the year	61,875,119	4,756,044	1,032,715	79,380
Less: Transfer on dissolution	62,409,270	534,151	1,041,630	8,915
	62,409,270	-	1,041,630	-
	-	534,151	-	8,915
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)	-	132,897,660	-	2,218,103
	-	132,897,660	-	2,218,103
6) Other Current Liabilities				
Current Maturities of Long Term Borrowings	-	5,913,604	-	98,700
	-	5,913,604	-	98,700
8) Cash and Bank Balances				
Balance with banks:				
in current accounts	478,673	3,580,522	7,989	59,760
Less: Transfer on dissolution to Parent Company	(478,673)	-	(7,989)	-
	-	3,580,522	-	59,760

Twin Lakes Property LLC - I

Notes to the accounts

as at 27 March 2014

7) Fixed Assets

Particulars	Tangible Assets				
	Networks	Office Furniture and Equipment	Land	Building	Total
Gross Block					
As at 1 April 2013	437,211	313,984	26,897,240	146,247,264	173,895,699
Additions during the year	-	-	-	-	-
Additions on account of business acquisitions	-	-	-	-	-
Deletions during the year	437,211	313,984	26,897,240	146,247,264	173,895,699
As at 26 March 2014	-	-	-	-	-
Accumulated depreciation / amortization					
As at 1 April 2013	-	-	-	50,888,153	50,888,153
Accumulated depreciation on business acquisitions	-	-	-	-	-
Charge for the year	-	-	-	10,741	10,741
On deletions during the year	-	-	-	50,898,894	50,898,894
As at 26 March 2014	-	-	-	-	-
Net Block (INR)					
As at 31 March 2013 (INR)	482,555	346,548	29,686,804	105,248,985	135,764,892
Net Block (USD)					
As at 31 March 2013 (USD)	8,054	5,784	495,482	1,756,638	2,265,959

Twin Lakes Property LLC - I

Notes to the accounts

for the period ended 27 March 2014

Particulars	Amount in Rupees		Amount in USD	
	27 March 2014	31 March 2013	27 March 2014	31 March 2013
9) Other Income				
Rental Income	4,022,519	27,710,690	67,137	462,500
Profit on Sale of Assets	62,535,294	-	1,043,734	-
	66,557,813	27,710,690	1,110,871	462,500
10) Finance charge				
Interest Expense	1,714,018	12,077,757	28,608	201,582
	1,714,018	12,077,757	28,608	201,582
11) Other Expenses				
Insurance	-	589,361	-	9,837
Rates and Taxes	-	5,838,233	-	97,442
Bank Charges	25,618	16,014	428	267
Professional Fees	2,299,456	-	38,379	-
	2,325,074	6,443,608	38,807	107,546

Twin Lakes Property LLC - I

Notes to the accounts as at 27 March 2014

12 Leases

The Company does not have any operating leases.

13 Capital commitments

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

14 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.

15 Contingent liabilities

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

16 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 38 of the consolidated financial statements)

17 Related Party Transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2014 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 27 March 2014

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)	
		2014	2013	2014	2013	2014	2013	2014	2013
Firstsource Advantage LLC	Rental Income	4,022,513	27,710,688	67,137	462,500	-	-	-	-
	Transfer of reserve and surplus on dissolution	62,409,261	-	1,041,630	-	-	-	-	-
Firstsource Group USA Inc.	Interest expense	1,714,048	12,077,726	28,608	201,581	-	-	-	-
	Loan repaid	138,811,252	5,845,307	2,316,803	97,560	-	144,776,389	-	2,414,363

Twin Lakes Property LLC - I

Notes to the accounts
as at 27 March 2014

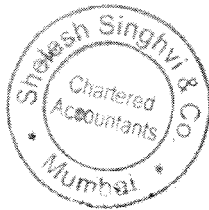
- 18 There are no Micro, Small and Medium Enterprises to whom the Company Owes dues, which are outstanding for more than 45 days during the period and also as at 27 March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Developments Act, 2006 has been determined 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).
- 19 **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

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Partner
Membership No: 402256

Mumbai
02 May 2014



For and on behalf of the Board of Directors

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