One Advantage LLC

Special Purpose Financial statements
together with the Independent Auditors' Report
for the year ended 31 March 2018

One Advantage LLC

Special Purpose Financial statements together with the Independent Auditors' Report

for the year ended 31 March 2018

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One Advantage LLC

Balance sheet

as at 31 March 2018

(Currency : In US Dollar)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	**114,528**	137,278
Other intangible assets	3	**76,442**	-
Total non-current assets		**190,970**	137,278
Current assets			
Financial assets			
Trade receivables	4	**1,340,513**	1,377,194
Cash and cash equivalents	5	**260,785**	394,453
Other financial assets	6	**5,850,503**	3,821,685
Other current assets	7	**93,171**	50,546
Total current assets		**7,544,972**	5,643,878
Total assets		**7,735,942**	5,781,156
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	**-**	-
Other equity		**6,993,535**	4,960,376
Total equity		**6,993,535**	4,960,376
LIABILITIES			
Current liabilities			
Financial liabilities			
Trade payables		**475,603**	602,699
Other financial liabilities	9	**-**	31,518
Provisions for employee benefits	10	**154,861**	142,045
Other current liabilities	11	**111,943**	44,518
Total current liabilities		**742,407**	820,780
Total equity and liabilities		**7,735,942**	5,781,156
Significant accounting policies	2		

The accompanying notes from 1 to 21 are an integral part of these financial statements.

As per our report of even date attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors

G K Subramaniam
Partner
Membership No: 109839
13 July 2018
Mumbai

Arjun Mitra
Director

Thomas Estopare
Director

One Advantage LLC

Statement of profit and loss

for the year ended 31 March 2018
(Currency : In US Dollar)

	Note	Year ended 31 March 2018	31 March 2017
INCOME			
Revenue from operations	*12*	**13,194,229**	13,531,455
Total income		**13,194,229**	13,531,455
EXPENSES			
Services rendered by business associates and others		**9,148**	10,288
Employee benefits expenses	*13*	**6,218,575**	6,269,912
Depreciation and amortization expense	*3*	**58,740**	55,121
Other expenses	*14*	**4,874,607**	4,234,951
Total expenses		**11,161,070**	10,570,272
Profit before tax		**2,033,159**	2,961,183
Tax expense			
Current tax		**-**	-
Deferred tax		**-**	-
Profit for the year		**2,033,159**	2,961,183
Other comprehensive income			
Total other comprehensive income, net of taxes		**-**	-
Total comprehensive income for the year		**2,033,159**	2,961,183

Significant accounting policies *2*

The accompanying notes from 1 to 21 are an integral part of these financial statements.
As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors

G K Subramaniam
Partner
Membership No: 109839
13 July 2018
Mumbai

Arjun Mitra
Director

Thomas Estopare
Director

One Advantage LLC

Statement of changes in equity

for the year ended 31 March 2018

(Currency : In US Dollar)

Statement of Changes in Equity

	Equity share capital	Attributable to Reserve and Retained earnings	Total
Balance as at 1 April 2017	-	4,960,376	4,960,376
Profit for the year	-	2,033,159	2,033,159
Balance as at the 31 March 2018	**-**	**6,993,535**	**6,993,535**

	Equity share capital	Attributable to Reserve and Retained earnings	Total
Balance as at 1 April 2016	-	1,999,193	1,999,193
Profit for the year	-	2,961,183	2,961,183
Balance as at the 31 March 2017	**-**	**4,960,376**	**4,960,376**

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors

G K Subramaniam
Partner
Membership No: 109839
13 July 2018
Mumbai

Arjun Mitra
Director

Thomas Estopare
Director

One Advantage LLC

Statement of cash flows

for the year ended 31 March 2018

(Currency : In US Dollar)

	31 March 2018	31 March 2017
<u>Cash flow from operating activities</u>		
Profit before tax	**2,033,159**	2,961,183
Adjustments for		
Depreciation and amortisation	**58,740**	55,121
Provision for doubtful debts written off / (written back)	**3,535**	32
(Gain) / loss on sale of fixed assets, net		
Finance costs		
Interest income		
Operating cash flow before changes in working capital	**2,095,434**	3,016,336
Changes in working capital		
Decrease / (Increase) in trade receivables	**33,146**	(304,295)
Decrease / (Increase) in loans and advances and other assets	**(2,071,443)**	(2,769,384)
(Decrease) / Increase in liabilities and provisions	**(78,373)**	(125,119)
Net changes in working capital	**(2,116,670)**	(3,198,798)
Income taxes paid	**-**	-
Net cash generated from / (used in) operating activities (A)	**(21,236)**	(182,462)
<u>Cash flow from investing activities</u>		
Interest income received	-	-
Purchase of property plant and equipment and intangible asstes	**(112,432)**	(72,250)
Sale of fixed assets	-	-
Net cash generated from / (used in) investing activities (B)	**(112,432)**	(72,250)
<u>Cash flow from financing activities</u>		
Interest paid	**-**	-
Net cash generated from / (used in) financing activities (C)	**-**	-
Net Increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)	**(133,668)**	(254,712)
Cash and cash equivalents at the beginning of the year	**394,453**	649,165
Cash and cash equivalents at the end of the year	**260,785**	394,453

One Advantage LLC

Statement of cash flows (Continued)
for the year ended 31 March 2018

Notes to the cash flow statement
Cash and cash equivalents consist of cash on hand and balances with bank. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	31 March 2018	31 March 2017
Cash on hand	**-**	-
Balances with banks		
- in current accounts	**260,785**	394,453
Cash and cash equivalents	**260,785**	394,453

As per our report of even date attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

For and on behalf of the Board of Directors

G K Subramaniam
Partner
Membership No: 109839
13 July 2018
Mumbai

Arjun Mitra
Director

Thomas Estopare
Director

1 Company overview

One Advantage LLC (the 'Company') was incorporated under the laws of the state of Delware on 6 August 2014. The Company is engaged in the business of debt collection services mainly of healthcare business throughout the United States of America.

The Company is a wholly owned Subsidiary of Firstsource Business Process Services LLC incorporated under the laws of the state of Delware.

Basis of Preparation and Statement of compliance

The special purpose financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 (the 'Act') (to the extend notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (the 'Rules').

These special purpose financial statements have been prepared for the limited purpose of facilitating the preparation of the consolidated financial statements of Firstsource Solutions Limited, the Holding Company, as at and for the year ended March 31, 2018 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist the Holding Company Firstsource Solutions Limited to comply with the requirements of section 129(3) of the Act.

These special purpose financial statements were approved by the Board of Directors of Firstsource Solutions Limited the Holding Company, and authorised for issue on 7 May 2018.

2 Significant accounting policies

2.1 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.1.1.

2.1 Use of estimates (Continued)

2.1.1 Critical accounting estimates

a Income taxes

The Company's major tax jurisdiction is United States of America. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note 2.6.

b Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired, and are reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

2.2 Revenue recognition

Revenue from contact center and transaction processing services comprises from time / unit price 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.

Dividend income is recognised when the right to receive dividend is established.

For all instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2 Significant accounting policies *(Continued)*

2.3 Property, plant and equipment and Intangible assets

Property, plant and equipment and intangible 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 property, plant and equipment. Depreciation / Amortisation on property, plant and equipment and intangile assets is provided pro-rata to the period of use based on management’s best estimate of useful lives of the assets as summarised below:

Asset category	**Useful life (in years)**
Tangible assets	
Leasehold improvements	Lease term or 5 years, whichever is shorter
Service equipment*	2 – 5
Computers*	2 – 4
Office Equipment*	2 – 5
Furniture and Fixtures*	2 – 5
Intangible assets	
Software*	2 – 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 is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically at the end of each financial year.

2.4 Impairment

a. Financial assets

The Company recognises loss allowances using the expected credit loss ('ECL') model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2 Significant accounting policies *(Continued)*

2.4 Impairment (Continued)

b. Non-financial assets

i Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ('CGU') to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.5 Employee benefits

Defined contribution plans

The Company has a savings and investment plan under section 401 (k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contribution made under the plan are charged to the statement of profit and loss in the period in which that accure. The Company has no further obligation to the plan beyond its monthly contribution. Other retirement benefits, including social security and medicare, are accrued based on the amounts payable as per local regulations.

Compensated absences

Employees of the Company are entitled to compensated absences, the employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement.

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

2 Significant accounting policies *(Continued)*

2.6 Taxation

Current income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the year 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 recongised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available aganist which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be recongised.

The Income tax liability and Deferred Tax Asset and Liability are computed on a combined basis and a combined tax return is filed for all subsidiaries of Firstsource Solutions Limited operating in the United States of America and the charge, the asset and the liability is accounted on a combined basis by Firstsource Group USA, Inc. (parent company in the United States of America) in its financial statements. Deferred Tax Asset and Liability and Income tax charge accounted in these Special Purpose Financial Statements relate only to the pre-acquisition period and adjustments thereof.

2.7 Leases

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term, unless the increase is on account of inflation, in the statement of profit and loss.

2.8 Foreign currency

Functional currency

The functional currency of the Company is the US Dollar (USD) .

Transactions and Translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the functional currency using the exchange rate in effect on the date of the transaction.

2 Significant accounting policies *(Continued)*

2.9 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 an 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.

2.10 Financial instruments

2.10.1 Initial recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

2.10.2 Classification and subsequent measurement

a) Non-derivative financial instruments

i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 Significant accounting policies *(Continued)*

2.10 Financial instruments (Continued)

2.10.2 Classification and subsequent measurement (Continued)

iii) Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

iv) Financial assets at fair value through profit and loss ('FVTPL')

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

v) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments.

vi) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments are recognised by the Company at the proceeds received net of direct issue cost.

b) Share Capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2 Significant accounting policies *(Continued)*

2.10 Financial instruments (Continued)

2.10.3 De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

2.10.4 Fair value of financial instrument

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

2.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.12 Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

2 Significant accounting policies *(Continued)*

2.13 Recent accounting pronouncements

Ind AS 21 Foreign currency transactions and advance consideration:

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115 Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The effect on adoption of Ind AS 115 on the financial statements is expected to be insignificant.

One Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : In US Dollar)

3 Property, plant and equipment and intangible assets

	Tangible Asset						Intangible Asset	
Particulars	**Leasehold improvements**	**Service Equipment**	**Computers**	**Office equipment**	**Furniture and fixture**	**Total**	**Software**	**Grand Total**
Gross block (at deemed cost)								
As at 1 April 2017	**154,316**	**550,621**	**598,238**	**223,749**	**359,916**	**1,886,840**	**341,381**	**2,228,221**
Additions / adjustments during the year	**-**	**-**	**33,916**	**1,960**	**-**	**35,876**	**76,556**	**112,432**
Deletions during the year	-	-	-	-	-	-	-	-
As at 31 March 2018	**154,316**	**550,621**	**632,154**	**225,709**	**359,916**	**1,922,716**	**417,937**	**2,340,653**
Accumulated depreciation / amortization								
As at 1 April 2017	**122,343**	**515,600**	**591,665**	**181,570**	**338,384**	**1,749,562**	**341,381**	**2,090,943**
Charge for the year	**21,118**	**14,100**	**3,987**	**14,157**	**5,264**	**58,626**	**114**	**58,740**
On deletions / adjustments during the year								
As at 31 March 2018	**143,461**	**529,700**	**595,652**	**195,727**	**343,648**	**1,808,188**	**341,495**	**2,149,683**
Net block								
As at 31 March 2018	**10,855**	**20,921**	**36,502**	**29,982**	**16,268**	**114,528**	**76,442**	**190,970**
As at 31 March 2017	**31,973**	**35,021**	**6,573**	**42,179**	**21,532**	**137,278**	**-**	**137,278**

	Tangible Asset						Intangible Asset	
Particulars	**Leasehold improvements**	**Service Equipment**	**Computers**	**Office equipment**	**Furniture and fixture**	**Total**	**Software**	**Grand Total**
Gross block (at deemed cost)								
As at 1 April 2016	154,316	527,474	595,531	199,205	336,112	1,812,638	341,381	2,154,019
Additions / adjustments during the year	-	23,147	2,707	24,544	23,804	74,202	-	74,202
Deletions during the year	-	-	-	-	-	-	-	-
As at 31 March 2017	154,316	550,621	598,238	223,749	359,916	1,886,840	341,381	2,228,221
Accumulated depreciation / amortization								
As at 1 April 2016	101,225	503,008	586,566	169,146	334,723	1,694,668	341,154	2,035,822
Charge for the year	21,118	12,592	5,099	12,424	3,661	54,894	227	55,121
On deletions / adjustments during the year	-	-	-	-	-	-	-	-
As at 31 March 2017	122,343	515,600	591,665	181,570	338,384	1,749,562	341,381	2,090,943
Net block								
As at 31 March 2017	31,973	35,021	6,573	42,179	21,532	137,278	-	137,278
As at 31 March 2016	53,091	24,466	8,965	30,059	1,389	117,970	227	118,197

One Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2018

(Currency : In US Dollar)

	31 March 2018	31 March 2017
4 Trade receivables		
(Unsecured)		
Considered doubtful	**4,749**	1,214
Less: Impairment allowance	**(4,749)**	(1,214)
	-	-
Considered good	**1,340,513**	1,377,194
	1,340,513	1,377,194

a) Trade receivables are non interest bearing.

b) No trade or other receivables are due from directors or other officers of the Company, either severally or jointly

c) For receivables from related parties, refer note 17.

5 Cash and cash equivalents

	31 March 2018	31 March 2017
Cash on hand		
Balances with banks		
-in current accounts	**260,785**	394,453
-in trust accounts	**94,106**	27,679
	354,891	**422,132**
Less: Current account balance held in trust for customers	**(94,106)**	(27,679)
	260,785	**394,453**

6 Other financial assets

	31 March 2018	31 March 2017
(Unsecured, considered good)		
Other current financial assets		
Advances to Related parties	**5,850,503**	3,821,685
	5,850,503	3,821,685

7 Other current assets

	31 March 2018	31 March 2017
Prepaid expenses	**93,171**	50,546
	93,171	50,546

(Currency : In US Dollar)

	31 March 2018	31 March 2017
8 Share capital		
Authorised		
	-	-
	-	-
Issued, subscribed and paid-up		
	-	-
	-	-

a) Particulars of shareholders holding more than 5% equity shares

	31 March 2018 % of holding	31 March 2017 % of holding
Firstsource Business Process Services LLC	**100**	100

Management confirms to a framework of capital through agreement without any contributions thereby providing 100% ownership and voting rights and right to 100% of profits / losses. Hence, the financials do not disclose any Earnings per share value.

(Currency : In US Dollar)

		31 March 2018	31 March 2017
9	**Other financial liabilities**		
	Other current financial liabilities		
	Book credit in bank account	**-**	31,518
		-	31,518
10	**Provision for employee benefits**		
	Current		
	Compensated absences	**154,861**	142,045
		154,861	142,045
11	**Other liabilities**		
	Other current liabilities		
	Advance received from customers	**91,106**	24,679
	Statutory Dues	**20,837**	19,839
		111,943	44,518

One Advantage LLC

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : In US Dollar)

	Year ended	
	31 March 2018	31 March 2017
12 Revenue from operations		
Sale of services	13,194,229	13,531,455
	13,194,229	13,531,455
13 Employee benefits expense		
Salaries and wages	**5,518,307**	5,647,075
Contribution to social security and other benefits	**34,601**	37,538
Staff welfare expenses	**665,667**	585,299
	6,218,575	6,269,912
14 Other expenses		
Rent	**450,395**	417,122
Car and other hire charges	**59,555**	39,126
Repairs, maintenance and upkeep	**47,324**	40,148
Computer expenses	**386,910**	391,054
Legal and professional fees	**1,300,159**	1,300,718
Information and communication expenses	**1,782,504**	1,460,846
Travel and conveyance	**75,724**	44,219
Insurance	**40,338**	51,151
Miscellaneous expenses	**5,391**	5,210
Printing and stationery	**31,984**	35,469
Marketing and Support fees	**46,042**	25,019
Rates and taxes	**2,352**	13,611
Bank administration charges	**426,440**	411,226
Provision for doubtful debts/ written off/ (written back), net	**3,535**	32
Allocated Corporate Cost	**215,954**	-
	4,874,607	4,234,951

(Currency : In US Dollar)

15 Financial instruments

I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	**1,340,513**	-	-	**1,340,513**	**1,340,513**
Cash and cash equivalents	**260,785**	-	-	**260,785**	**260,785**
Other financial assets	**5,850,503**	-	-	**5,850,503**	**5,850,503**
Total	**7,451,801**	-	-	**7,451,801**	**7,451,801**
Financial liabilities					
Other financial liability	-	-	-	-	-
Trade payables	**475,603**	-	-	**475,603**	**475,603**
Total	**475,603**	-	-	**475,603**	**475,603**

The carrying value and fair value of financial instruments by categories as of 31 March 2017 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	1,377,194	-	-	1,377,194	1,377,194
Cash and cash equivalents	394,453	-	-	394,453	394,453
Other financial assets	3,821,685	-	-	3,821,685	3,821,685
Total	5,593,332	-	-	5,593,332	5,593,332
Financial liabilities					
Other financial liability	31,518		-	31,518	31,518
Trade payables	602,699	-	-	602,699	602,699
Total	634,217	-	-	634,217	634,217

Fair value hierachy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2018 and 31 March 2017.

II. Financial risk management:

Financial risk factors:

The Company's activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

a) Market risk

The Company operates in the US and there are no major transactions outside the US. So there is no major market risk for the Company.

b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 1,340,573 as at 31 March 2018 (31 March 2017: USD 1,377,194) and unbilled revenue amounting to USD Nil (31 March 2017 : USD Nil). Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

(Currency : In US Dollar)

15 Financial instruments (Continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2018 and 31 March 2017:

	31 March 2018		31 March 2017	
	Less than 1 Year	**More than 1 year**	Less than 1 Year	More than 1 year
Trade payables	**475,603**	-	602,699	-

16 Leases

Operating lease

The Company is obligated under non-cancellable operating leases for office space and office equipment which are renewable on a periodic basis at the option of both the lessor and lessee. Expenses under non-cancellable operating leases for the year ended 31 March 2018 aggregated to USD 191,172 (31 March 2017: USD 191,172).

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

	As at 31 March 2018	As at 31 March 2017
Amount due within one year from the balance sheet date	**191,172**	388,176
Amount due in the period between one year and five years	**47,793**	233,435
Amount due in the period beyond five years	**-**	-
	238,965	621,611

The Company also leases office facilities under cancellable operating leases that are renewable on a periodic basis at the option of both the lessor and lessee. Expenses under cancellable operating leases for the year ended 31 March 2018 is USD 259,323 (31 March 2017 is USD 225,950).

One Advantage LLC
Notes to the financial statements (Continued)
for the year ended 31 March 2018
(Currency : In US Dollar)

17 Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2018 are summarized below:

Ultimate Holding Company	CESC Limited
Holding Company	Firstsource Group USA Inc. Firstsource Solutions Limited Firstsource Business Process Services LLC
Fellow Subsidiary Companies	MedAssist Holding, LLC Firstsource Advantage LLC Firstsource Solutions USA LLC Firstsource Solution UK Limited Firstsource Process Management Services Limited Firstsource BPO Ireland Limited Firstsource BPO Ireland Limited Firstsource Solutions USA LLC ISGN Fulfillment Services, Inc ISGN Fulfillment Agency,LLC ISGN Solutions, Inc.
Fellow Associate	Nanobi Data and Analytics Private Limited.
Directors	Thomas Estopare Arjun Mitra

Particulars of related party transactions:

Name of the related party	**Description**	**Transaction value during year ended**	**Transaction value during year ended Amount in USD**	**Receivable / (Payable) at Amount in USD**	
		31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Firstsource Solutions Limited	Services rendered by business associates and Others	**7,860**	10,288		
	Recovery of expenses	**-**			
	Reimbursement of expenses	**215,954**	87		
	Receivable / (Payable)			**(223,856)**	(43)
Firstsource Group USA Inc	Reimbursement of expenses	**52,863**	46,520		
	Recovery of expense	**-**	53,932		
	Receiveable / (Payable)			**6,204,399**	4,716,322
Firstsource Transcation Services LLC	Reimbursement of expenses	**5,278**	1,922,271		
	Recovery of expense	**-**	3,226		
	Receivable / (Payable)			**(11)**	(4,030)
Medassit Holding LLC	Reimbursement of expenses	**1,626,147**	1,707,535		
	Recovery of expense	**130,028**	415,085		
	Receivable / (Payable)			**(62,249)**	(646,434)
Firstsource Advantage LLC	Services rendered by business	**1,288**			
	Reimbursement of expenses	**1,365,191**	1,272,477		
	Recovery of expense	**88,176**	128,345		
	Receivable / (Payable)			**(60,461)**	(244,130)
ISGN Fulfillment Services, Inc	Reimbursement of expense	**7,319**	-		
	Receivable / (Payable)			**(7,319)**	-

18 Segment reporting

As per Ind AS 108 - Operating Segment, if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial statements of the Holding Company.

19 Capital and other commitments and contingent liabilities

The Company has capital commitments of USD Nil (31 March 2017: USD 1,183) as at the balance sheet date. There are no contingent liabilities as at Balance sheet date. (31 March 2017 : USD Nil)

20 Long-term contracts

The Company has a process whereby yearly all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / Accounting Standards for material foreseeable losses on such long term contracts has been made in the books of account.

21 Subsequent events

The Company evaluated subsequent events from the balance sheet date through 13 July 2018 and determined there are no material items to report.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm’s Registration No: 117366W/W-100018

For and on behalf of the Board of Directors

G K Subramaniam
Partner
Membership No: 109839

Arjun Mitra
Director

Thomas Estopare
Director

13 July 2018
Mumbai