

One Advantage LLC

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

One Advantage, LLC
Balance Sheet
as at 31 March 2015

	Note	Amount in Rupees	Amount in USD
		31 March 2015	31 March 2015
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	3	-	-
Reserves and Surplus	4	1,562,500	25,000
		1,562,500	25,000
Current liabilities			
Trade payables		-	-
Other current liabilities	5	27,545,825	440,733
Short-term provisions	6	8,930,069	142,881
		36,475,894	583,614
		38,038,394	608,614
<u>ASSETS</u>			
Non current assets			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
		-	-
Current assets			
Trade receivables		-	-
Cash and bank balances	7	1,612,350	25,798
Other current assets	8	36,426,044	582,816
		38,038,394	608,614
		38,038,394	608,614

Significant accounting policies 2
The accompanying notes from 1 to 27 form an integral part of the financial statement.

As per our report of even date attached.

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

For and on behalf of the Board of Directors

Praveena Jain
Partner
Membership No: 402256

Arjun Mitra
Director

Thomas Estopare
Director

Mumbai
Date: 5 May 2015

One Advantage, LLC
Statement of profit and loss
for the year ended 31 March 2015

	Note	Amount in Rupees	Amount in USD
		For the year ended 31 March 2015	For the year ended 31 March 2015
Income			
Revenue from Operations	9	120,715,739	1,931,452
		120,715,739	1,931,452
Expenses			
Employee benefits expense	10	120,329,645	1,925,274
Finance Cost		-	-
Depreciation and amortization		-	-
Other expenses	11	386,094	6,178
		120,715,739	1,931,452
Profit After Taxation			
		-	-

Significant accounting policies 2
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Arjun Mitra
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Thomas Estopare
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Mumbai
Date: 5 May 2015

One Advantage, LLC
Cash flow statement

for the year ended 31 March 2015

	Amount in Rupees	Amount in USD
	2,015	2,015
<u>Cash flow from operating activities</u>		
Net profit before tax	-	-
Adjustments for		
Depreciation and amortization	-	-
Operating cash flow before changes in working capital	-	-
Changes in working capital		
Increase in Trade receivables	-	-
Increase in Loans and advances and other current assets	(36,425,981)	(582,816)
Increase in Other liabilities and provisions	36,475,831	583,613
Net changes in working capital	49,850	798
Net cash used in operating activities (A)	49,850	798
<u>Cash flow from investing activities</u>		
Capital expenditure	-	-
Net cash generated from investing activities (B)	-	-
<u>Cash flow from financing activities</u>		
Investments Received from Parent Company	1,562,500	25,000
Net cash used in financing activities (C)	1,562,500	25,000
Net increase in cash and cash equivalents (A+B+C)	1,612,350	25,798
Cash and cash equivalents at the beginning of the year*	-	-
Cash and cash equivalents at the end of the year*	1,612,350	25,798

* Refer schedule 11 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

For and on behalf of the Board of Directors

Praveena Jain
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Membership No: 402256

Arjun Mitra
Director

Thomas Estopare
Director

Mumbai
Date: 5 May 2015

One Advantage LLC

Notes to the accounts

for the year ended at 31 March 2015

1 Background

One Advantage LLC was incorporated under the laws of the State of Delaware on 6th August 2014 for the purpose of providing debt collection services to major credit card issuers and banks throughout the United States. Credit is granted to primarily all of its customers.

The Company is a wholly owned subsidiary of Firstsource Business Process Services LLC ('the Company') was incorporated under the laws of the State of Delaware on November 25, 2009. Which is a wholly owned subsidiary of Firstsource Group USA, Inc, incorporated in the state of Delaware, USA (who have the voting rights in the Company), which is a wholly owned subsidiary of Firstsource Solutions Ltd, a company incorporate in India.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements of Firstsource Business Process Services, LLC have been prepared and presented under the historical cost convention on accrual basis of accounting and accounting principles generally accepted in India. The Balance Sheet and Statement of profit and loss of the Company have been drawn up in the country of its incorporation (United States of America) in the terms of United States of Dollar ('USD'). However, for the purpose of compliance with the requirements of Section 129(3) of the Companies Act, 2013, amounts in these financial statements have been translated into Indian rupees at the closing rate on 31 March 2015 which is 1 USD = Rs 62.5. No representation is made that USD amounts have been, could have been or could be converted into Indian rupees at such a rate.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and reported amount of income and expenses 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 operations comprises debt collection services to major credit card issuers and banks 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. Revenue from debt collection services is recognized when debts are collected (including postdated cheques / realized).

One Advantage LLC

Notes to the accounts

for the year ended at 31 March 2015

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, 2013) as summarized below:

Asset	Useful life (in years)
<i>Tangible</i>	
Computers*	3 – 4

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

* 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

2.5 Impairment of assets

a) Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or company of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

b) Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that a non financial asset including goodwill may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

One Advantage LLC

Notes to the accounts

for the year ended at 31 March 2015

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 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 ultimate holding company ie Firstsource Group USA, Inc.

2.8 Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.9 Leases

Operating lease

Lease rentals in respect of assets acquired under operating lease are charged off to the statement of profit and loss as incurred.

One Advantage LLC

Notes to the accounts

for the year ended at 31 March 2015

2 Significant accounting policies (*Continued*)

2.10 Retirement benefits

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

2.11 Investments

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

Non-current investments are carried at cost less other than any temporary diminution in value, determined separately for each investment.

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.

One Advantage , LLC

Notes to the accounts

as at 31 March 2015

	Amount in Rupees	Amount in USD
	31 March 2015	31 March 2015
3 Share Capital		
Issued, Subscribed and paid up	-	-
A. Details of voting rights holding more than 5% in the Company		31 March 2015
Firstsource Business Process Services LLC		% of Holding
		100
	Amount in Rupees	Amount in USD
	31 March 2015	31 March 2015
4 Reserves and Surplus		
Balance at the beginning of the year	-	-
Capital Contribution During the year	1,562,500	25,000
Add : Profit for the year	-	-
Less : Dividend paid	-	-
	1,562,500	25,000
5 Other current liabilities		
Related party		
Inter company payable	2,187,500	35,000
Others		
Employee Related Dues	23,914,813	382,637
Statutory dues	1,443,512	23,096
	27,545,825	440,733
6 Short Term Provisions		
Compensated Absenses	8,930,069	142,881
	8,930,069	142,881

One Advantage , LLC

Notes to the accounts

as at 31 March 2015

	Amount in Rupees	Amount in USD
	31 March 2015	31 March 2015
7 Cash and bank balances		
Cash in hand	-	-
Balances with banks in current accounts	1,612,350	25,798
	1,612,350	25,798
8 Other current assets		
Receivable from group companies	36,265,849	580,254
Prepaid expenses	160,195	2,562
	36,426,044	582,816
9 Revenue from Operations		
Sale of services	120,715,739	1,931,452
	120,715,739	1,931,452
10 Employee benefits expense		
Salaries and wages	119,721,071	1,915,537
Contribution to provident and other funds	608,574	9,737
	120,329,645	1,925,274
11 Other expenses		
Bank administration charges	2,970	48
Travelling and conveyance	70,674	1,131
Legal and professional fees	312,450	4,999
	386,094	6,178

One Advantage LLC

Notes to the accounts

as at 31 March 2015

12. Leases

The Company does not have any operating leases.

13 Capital commitments

The Company has capital commitments of Rs. Nil as at the balance sheet date.

14 EPS

As the company is incorporated under the laws of the State of Delaware . As per Country's laws, company is having voting control & 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 Related Party Transactions

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

Ultimate Holding company	• Firstsource Solutions Ltd
Holding Company	• Firstsource Group USA Inc.
Subsidiary Company	• Medassist Holding LLC
	• Firstsource Advantage LLC
	• Firstsource Transaction Services LLC
	• Firstsource Solutions UK Limited
	• Anunta Tech Infrastructure Services Limited
	• Firstsource Solutions Limited – Ireland
	• Firstsource Solutions S.A
	• Firstsource Business Processing Services LLC
	• Firstsource Solutions USA LLC
Director	• Venkat Raman
	• Arjun Mitra

One Advantage LLC

Notes to the accounts

as at 31 March 2015

16 Related Party Transactions (continued)

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

Name of the related party	Description	Transaction value during the year ended (In Rupees)		Transaction value during the year ended (In USD)		Receivable/(Payable) (In Rupees)		Receivable/(Payable) (In USD)	
		2015	2014	2015	2014	2015	2014	2015	2014
Firstsource Advantage LLC	Recovery of Expense	2,629,737	-	42,078	-	-	-	-	-
	Receipts of services	120,715,739	-	1,931,452	-	-	-	-	-
	Reimbursement of services	54,948	-	878	-	-	-	-	-
	Receivable/(Payable)	-	-	-	-	36,265,849	-	580,254	-
Medassist Holding LLC	Recovery of Expense	2,187,500	-	35,000	-	-	-	-	-
	Receivable/(Payable)	-	-	-	-	(2,187,500)	-	(35,000)	-

One Advantage LLC

Notes to the accounts

as at 31 March 2015

17 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)

18 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 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Developments Act, 2006 has been determined to the extent such parties have been identified on the Basis of information available with the Company (refer note 41 of the consolidated financial statements)

19 This is first year of incorporation of Company hence there is no previous year figures.

As per our report of even date attached.

For SHELESH SINGHVI & CO.

Chartered Accountants

Firm's registration no: 014792C

For and on behalf of the Board of Directors

Praveena Jain

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Date: 5 May 2015