One Advantage LLC

Special Purpose Financial Statements
together with the Independent Auditor's Report
as at and for the year ended 31 March 2021

One Advantage LLC

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as at and for the year ended 31 March 2021

Contents

Deloitte
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
FIRSTSOURCE SOLUTIONS LIMITED

Report on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **One Advantage LLC** (the 'Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements'). The Special Purpose Financial Statements have been prepared by the Management of the Company for the limited purpose of facilitating the preparation of the consolidated financial statements of Firstsource Solutions Limited as at and for the year ended 31 March 2021 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist Firstsource Solutions Limited, the holding company to comply with the requirements of Section 129(3) of the Companies Act, 2013 (the 'Act').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, of its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income,

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(LLP Identification No. AAB-8737)

changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

Basis of preparation

We draw attention to Note 1 to the Special Purpose Financial Statements, which describes the basis of preparation of the Special Purpose Financial Statements. Our opinion is not modified in respect of this matter.

Restriction on Distribution and Use

Our report is intended solely for the information and use of the Board of Directors of Firstsource Solutions Limited for the preparation of their consolidated financial statements for the year ended and as at 31 March 2021, and compliance with the requirements of Section 129(3) as aforesaid and is not intended to be and should not be used by anyone other than the specified parties.

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

G. K. SUBRAMANIAM
Partner
(Membership No. 109839)
(UDIN: 21109839AAAAKK2453)

Mumbai
7 July 2021

One Advantage LLC

Balance sheet

as at 31 March 2021

(Currency : In US Dollar)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	**29,052**	59,323
Right-of-use assets	4	**2,421,300**	3,010,399
Other intangible assets	5	**73,936**	121,899
Other non-current assets	6(i)	**3,334**	5,535
Total non-current assets		**2,527,622**	3,197,156
Current assets			
Financial assets			
Trade receivables	7	**1,442,126**	1,565,421
Cash and cash equivalents	8	**901,722**	641,698
Other financial assets	9	**11,941,031**	6,545,521
Other current assets	6(ii)	**48,563**	78,832
Total current assets		**14,333,442**	8,831,472
Total assets		**16,861,064**	12,028,628
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	-	-
Other equity	11	**12,752,496**	7,730,439
Total equity		**12,752,496**	7,730,439
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**2,172,313**	2,759,202
Total non-current liabilities		**2,172,313**	2,759,202
Current liabilities			
Financial liabilities			
Trade payables		**330,793**	410,094
Lease liabilities		**586,889**	540,029
Other financial liabilities	12	**818,277**	411,697
Other current liabilities	13	**68,297**	38,314
Provisions for employee benefits	14	**131,999**	138,853
Total current liabilities		**1,936,255**	1,538,987
Total equity and liabilities		**16,861,064**	12,028,628
Significant accounting policies	2		

The accompanying notes from 1 to 23 are an integral part of these special purpose 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
7 July 2021
Mumbai

Venkatgiri Vandali
Director

Randall Shafer
Director

One Advantage LLC

Statement of profit and loss

for the year ended 31 March 2021
(Currency : In US Dollar)

	Note	Year ended 31 March 2021	31 March 2020
INCOME			
Revenue from operations	*15*	**14,841,413**	15,689,173
Total income		**14,841,413**	15,689,173
EXPENSES			
Employee benefits expenses	*16*	**4,890,780**	5,680,666
Finance costs	*17*	**149,929**	175,801
Depreciation and amortization expense	*3,4, 5*	**673,354**	667,128
Other expenses	*18*	**4,105,293**	4,618,488
Total expenses		**9,819,356**	11,142,083
Profit before tax		**5,022,057**	4,547,090
Tax expense			
Current tax		**-**	-
Deferred tax		**-**	-
Profit for the year		**5,022,057**	4,547,090
Other comprehensive income		**-**	-
Total comprehensive income for the year		**5,022,057**	4,547,090

Significant accounting policies *2*

The accompanying notes from 1 to 23 are an integral part of these special purpose 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
7 July 2021
Mumbai

Venkatgiri Vandali
Director

Randall Shafer
Director

One Advantage LLC

Statement of changes in equity

as at and for the year ended 31 March 2021

(Currency : In US Dollar)

Statement of Changes in Equity

	Attributable to owners of the Company		
		Reserve and surplus	
	Equity share capital	Retained earnings	Total
Balance as at 1 April 2020	-	**7,730,439**	**7,730,439**
Profit for the year	-	**5,022,057**	**5,022,057**
Balance as at 31 March 2021	**-**	**12,752,496**	**12,752,496**

Statement of Changes in Equity

	Attributable to owners of the Company		
		Reserve and surplus	
	Equity share capital	Retained earnings	Total
Balance as at 1 April 2019	-	3,379,028	3,379,028
Transition impact on adoption of Ind AS 116	-	(195,679)	(195,679)
Profit for the year	-	4,547,090	4,547,090
Balance as at 31 March 2020	-	7,730,439	7,730,439

As per our report of even date attached.

For and on behalf of the Board of Directors

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

G. K. Subramaniam
Partner
Membership No: 109839
7 July 2021
Mumbai

Venkatgiri Vandali
Director

Randall Shafer
Director

One Advantage LLC

Statement of cash flows

for the year ended 31 March 2021

(Currency : In US Dollar)

	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	**5,022,057**	4,547,090
Adjustments for		
Depreciation and amortisation	**673,354**	667,128
Finance costs	**149,929**	175,801
Allowance for expected credit loss	**337,289**	15,473
Operating cash flow before changes in working capital	**6,182,630**	5,405,492
Changes in working capital		
(Increase) / Decrease in trade receivables	**(213,994)**	262,457
(Increase) in loans and advances and other assets	**(5,363,040)**	(5,046,980)
Decrease / (Increase) in liabilities and provisions	**350,408**	(153,798)
Net changes in working capital	**(5,226,626)**	(4,938,321)
Income taxes paid	**-**	-
Net cash generated from operating activities (A)	**956,004**	467,171
Cash flow from investing activities		
Purchase of property plant and equipment and intangible asstes	**(6,022)**	(48,697)
Net cash used in investing activities (B)	**(6,022)**	(48,697)
Cash flow from financing activities		
Repayment of Lease Liablities	**(540,029)**	(495,945)
Interest Paid	**(149,929)**	(175,801)
Net cash used in financing activities (C)	**(689,958)**	(671,746)
Net Increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)	**260,024**	(253,272)
Cash and cash equivalents at the beginning of the year	**641,698**	894,970
Cash and cash equivalents at the end of the year	**901,722**	641,698

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 2021	31 March 2020
Cash on hand	**-**	-
Balances with banks		
- in current accounts	**901,722**	641,698
Cash and cash equivalents	**901,722**	641,698

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

7 July 2021

Mumbai

Venkatgiri Vandali

Director

Randall Shafer

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 relevant amendment rules issued thereunder.

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, 2021 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.

The financial information based on which these special purpose financial statements are prepared were approved by the Board of Directors of Firstsource Solutions Limited, the Holding Company on 11 May 2021.

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.

2.1.1 Critical Accounting Estimates

a 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.

b **Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and identification of lease requires significant judgement. Ind AS 116 additionally requires lessees to determine the lease term as the non-cancellable period of lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in the future periods is reassessed to ensure the lease term reflects the current economic circumstances.

2.2 Revenue recognition

The Company, in its contracts with customers, promises to transfer distinct services rendered in the form of healthcare (transaction processing and revenue cycle management).

Each distinct service, results in a simultaneous benefit to the corresponding customer. Also, the Company has an enforceable right to payment from the customer for the performance completed to date. Revenue from unit price based contracts is measured by multiplying the units of output delivered with the agreed transaction price per unit while in case of time and material based contracts, revenue is the product of the efforts expended and the agreed transaction price per unit. The Company continually reassesses the estimated discounts, rebates, price concessions, refund, credits, incentives, performance bonuses, etc., (variable consideration) aganist each performance obligation each reporting period and recgnises changes to estimated variable consideration as changes to the transaction price (i.e., revenue) of the apllicable performance obligation.

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 Company 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.A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

b. Non-financial assets

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 to be utilised within one calendar year, the employees can 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.

2.6 Taxation

Current income taxes and deferred 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 recognised.

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.

2 Significant accounting policies *(Continued)*

2.7 Leases

The Company enters into contract as a lessee for assets taken on lease. The Company at the inception of a contract assesses whether the contract contains a lease by conveying the right to control the use of an identified asset for a period of time in exchange for consideration. A Right-of-use asset is recognised representing its right to use the underlying asset for the lease term at the lease commencement date except in case of short term leases with a term of twelve months or less and low value leases which are accounted as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the conditions required by the terms and conditions of the lease, a provision for costs are included in the related Right-of-use asset. The Right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease and if that rate cannot be readily determined the Company uses the incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, variable lease payments, where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Obligation under finance lease are secured by way of hypothecation of underlying fixed assets taken on lease. Lease payments have been disclosed under cash flow from financing activities.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The lease liabilities are remeasured with a corresponding adjustment to the related Right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

2.8 Foreign currency

Functional currency
The functional currency of the Company is the United States 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.

2.9 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 Significant accounting policies *(Continued)*

2.10 Financial instruments (Continued)

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.

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 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.

2.10.3 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 instruments

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.

***2.13* Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19, including but not limited to its assessment of liquidity and going concern assumption, carrying amounts of receivables, intangible assets, impact on leases. Based on current indicators of future global economic conditions and internal sources of available information, the Company expects the carrying amount of the assets will be recovered, net of provisions established. The impact of the pandemic related to COVID-19 may be different from that presently estimated and would be recognised in the financial statements when material changes to economic conditions arise or are anticipated.

(Currency : In US Dollar)

3 Property, plant and equipment

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at 1 April 2020	**154,316**	**668,979**	**548,732**	**230,488**	**359,916**	**1,962,431**
Additions / adjustments during the year	**-**	**-**	**-**	**5,717**	**-**	**5,717**
As at 31 March 2021	**154,316**	**668,979**	**548,732**	**236,205**	**359,916**	**1,968,148**
Accumulated depreciation / amortization						
As at 1 April 2020	**154,316**	**633,423**	**543,064**	**218,149**	**354,157**	**1,903,109**
Charge for the year	**-**	**18,392**	**4,789**	**7,730**	**5,076**	**35,987**
As at 31 March 2021	**154,316**	**651,815**	**547,853**	**225,879**	**359,233**	**1,939,096**
Net block						
As at 31 March 2021	**-**	**17,165**	**880**	**10,326**	**683**	**29,052**
As at 31 March 2020	**-**	**35,556**	**5,668**	**12,339**	**5,759**	**59,323**

	Leasehold improvements	Computers	Service equipment	Office equipment	Furniture and fixture	Total
Gross block						
As at 1 April 2019	154,316	668,979	548,732	229,624	359,916	1,961,567
Additions / adjustments during the year	-	-	-	864	-	864
Deletions during the year	-	-	-	-	-	-
As at 31 March 2020	154,316	668,979	548,732	230,488	359,916	1,962,431
Accumulated depreciation / amortization						
As at 1 April 2019	154,316	614,604	538,274	208,888	348,912	1,864,994
Charge for the year	-	18,819	4,790	9,261	5,244	38,114
On deletions	-	-	-	-	-	-
As at 31 March 2020	154,316	633,423	543,064	218,149	354,157	1,903,109
Net block						
As at 31 March 2020	-	35,556	5,668	12,339	5,759	59,323
As at 31 March 2019	-	54,375	10,458	20,736	11,004	96,573

One Advantage LLC
Notes to the financial statements (Continued)
as at 31 March 2021
(Currency : In US Dollar)

4 Leases

The details of Right-to-use assets held by the Company are as follows:

	Opening Balance as on 01 April 2020	Addition during the year ended 31 March 2021	Deletions during the year ended 31 March 2021	Depreciation for the year ended 31 March 2021	Net Carrying value 31 March 2021
Leasehold properties	3,010,399	-	-	589,099	2,421,300
	3,010,399	**-**	**-**	**589,099**	**2,421,300**

Rent includes expense towards short term lease payments amounting to USD 28,975, expense towards low value leases assets amounting to USD Nil and common area maintenance charges for leased properties amounting to USD 23,921 during the year ended 31 March 2021.Further USD 230,456 is netted off as recovery of rent from fellow subsidiaries.

	Opening Balance as on 01 April 2019	Addition during the year ended 31 March 2020	Deletions during the year ended 31 March 2020	Depreciation for the year ended 31 March 2020	Net Carrying value 31 March 2020
Leasehold properties	3,599,498	-	-	589,099	3,010,399
	3,599,498	-	-	589,099	3,010,399

Rent includes expense towards short term lease payments amounting to Nil, expense towards low value leases assets amounting to USD Nil and common area maintenance charges for leased properties amounting to USD 46,123 during the year ended 31 March 2020.Further USD 148,773 is netted off as recovery of rent from fellow subsidiaries.

One Advantage LLC

Notes to the financial statements (Continued)

as at 31 March 2021

(Currency : In US Dollar)

5 Other intangible assets

	Software	Total
Gross block		
As at 1 April 2020	196,217	196,217
Additions	305	305
Deletions during the year	-	-
As at 31 March 2021	**196,522**	196,522
Accumulated depreciation / amortization		
As at 1 April 2020	74,318	74,318
Charge for the year	48,268	48,268
Deletions during the year	-	-
As at 31 March 2021	**122,586**	122,586
Net block		
As at 31 March 2021	**73,936**	73,936
As at 31 March 2020	**121,899**	121,899

	Software	Total
Gross block		
As at 1 April 2019	148,384	148,384
Additions	47,833	47,833
Deletions during the year	-	-
As at 31 March 2020	**196,217**	196,217
Accumulated depreciation / amortization		
As at 1 April 2019	34,403	34,403
Charge for the year	39,915	39,915
Deletions during the year	-	-
As at 31 March 2020	**74,318**	74,318
Net block		
As at 31 March 2020	**121,899**	121,899
As at 31 March 2019	**113,981**	113,981

(Currency : In US Dollar)

	31 March 2021	31 March 2020
6 Other assets		
(Unsecured, considered good)		
(i) Other non-current assets		
Prepaid expenses	**3,334**	5,535
	3,334	5,535
(ii) Other current assets		
Prepaid expenses	**48,563**	78,832
Other advances	**-**	-
	48,563	78,832

	31 March 2021	31 March 2020
7 Trade receivables		
(Unsecured)		
Considered doubtful	**361,095**	23,806
Less: Allowance for expected credit loss	**361,095**	23,806
	-	-
Considered good	**1,442,126**	1,565,421
	1,442,126	1,565,421
	1,442,126	1,565,421

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 20.

	31 March 2021	31 March 2020
8 Cash and cash equivalents		
Cash on hand		
Balances with banks		
-in current accounts	**901,722**	641,698
- earmarked balances with banks held in trust	**118,742**	40,410
	1,020,464	682,108
Less: Current account balance held in trust for customers	**(118,742)**	(40,410)
	901,722	641,698

	31 March 2021	31 March 2020
9 Other financial assets		
(Unsecured, considered good)		
Other current financial assets		
Receivable from related parties	**11,941,031**	6,545,521
	11,941,031	6,545,521

One Advantage LLC
Notes to the financial statements (Continued)
as at 31 March 2021
(Currency : In US Dollar)

10 Share capital

Authorised

	-	-
	-	-

Issued, subscribed and paid-up

	-	-
	-	-

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

	31 March 2021 % of holding	31 March 2020 % 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.

11 Other Equity

	31 March 2021	31 March 2020
Retained earnings		
At the commencement of the year	7,730,439	3,379,028
Add: Transition impact on adoption of Ind AS 116	-	(195,679)
Add: Net profit for the year	5,022,057	4,547,090
At the end of the year	12,752,497	7,730,439
Total other equity	**12,752,497**	7,730,439

12 Other financial liabilities

Other current financial liabilities		
Employee benefits payable	**74,660**	182,505
Payable to related parties	**743,617**	229,192
	818,277	411,697

13 Other liabilities

Other current liabilities		
Advance from customer	**45,061**	27,572
Statutory dues	**23,236**	10,742
	68,297	38,314

14 Provision for employee benefits

Current		
Compensated absences	**131,999**	138,853
	131,999	138,853

(Currency : In US Dollar)

	Year ended **31 March 2021**	31 March 2020
15 Revenue from operations		
Sale of services	**14,841,413**	15,689,173
	14,841,413	15,689,173

The Company provides transaction processing and revenue cycle management services for customers in the healthcare industry and operates in the US geography only.

Revenues in excess of invoicing are classified as contract assets (which is referred as unbilled revenues). Changes in contract assets are directly attributable to revenue recognised based on the accounting policy defined and the invoicing done during the year. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the company's performance completed to date.

	31 March 2021	31 March 2020
16 Employee benefits expenses		
Salaries and wages	**4,403,117**	5,096,522
Contribution to social security and other benefits	**30,717**	35,963
Staff welfare expenses	**456,946**	548,181
	4,890,780	5,680,666
17 Finance costs		
Interest expense on leased liabilities	**149,929**	175,801
	149,929	175,801
18 Other expenses		
Rent (net of recoveries)	**(177,560)**	(102,650)
Cars and other hire charges	**27,584**	34,679
Repairs, maintenance and upkeep	**38,200**	35,219
Computer expenses	**437,398**	407,227
Legal and professional fees	**1,153,639**	1,614,012
Connectivity, Information and Communication Expenses	**1,397,118**	1,764,166
Travel and conveyance	**3,606**	30,854
Insurance	**15,376**	23,977
Printing and stationery	**9,302**	23,149
Marketing and Support fees	**6,854**	16,135
Rates and taxes	**76,428**	83,941
Recruitment and Training Expense	**3,876**	4,864
Bank administration charges	**554,159**	499,072
Allowance for expected credit loss	**337,289**	15,473
Allocated Corporate Cost	**221,424**	168,370
Miscellaneous expenses	**600**	-
	4,105,293	4,618,488

(Currency : In US Dollar)

19 Financial instruments

I. Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	**1,442,126**	**-**	**-**	**1,442,126**	**1,442,126**
Cash and cash equivalents	**901,722**	**-**	**-**	**901,722**	**901,722**
Other financial assets	**11,941,031**	**-**	**-**	**11,941,031**	**11,941,031**
Total	**14,284,879**	**-**	**-**	**14,284,879**	**14,284,879**
Financial liabilities					
Trade payables	**330,793**	**-**	**-**	**330,793**	**330,793**
Lease liabilities	**2,759,202**	**-**	**-**	**2,759,202**	**2,759,202**
Other financial liabilities	**818,277**	**-**	**-**	**818,277**	**818,277**
Total	**3,908,272**	**-**	**-**	**3,908,272**	**3,908,272**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

	Amortized cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	1,565,421	-	-	1,565,421	1,565,421
Cash and cash equivalents	641,698	-	-	641,698	641,698
Other financial assets	6,545,521	-	-	6,545,521	6,545,521
Total	8,752,640	-	-	8,752,640	8,752,640
Financial liabilities					
Trade payables	410,094	-	-	410,094	410,094
Lease liabilities	3,299,231	-	-	3,299,231	3,299,231
Other financial liabilities	411,697	-	-	411,697	411,697
Total	4,121,022	-	-	4,121,022	4,121,022

Fair value hierachy for the above stated financial assets and liabilities is using measurement principles at Level 3 as at 31 March 2021 and 31 March 2020.

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 1,442,126 as at 31 March 2021 (31 March 2020: USD 1,565,421) and unbilled revenue amounting to USD Nil as at 31 March 2021 (31 March 2020 : 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. Expected credit losses are accounted on financial assets based on the measurement criteria as defined in the policy. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment.

(Currency : In US Dollar)

19 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 following are contractual maturities of Lease Liabilities on an undiscounted basis as at 31 March 2021 and 31 March 2020:

	31 March 2021	31 March 2020
Particulars	**Amount**	Amount
Less than one year	708,677	689,958
One to five years	2,347,996	2,816,222
More than five years	-	240,451
Total	**3,056,673**	3,746,631

Future cash outflows in respect of certain leasehold properties to which the Company is potentially exposed as a lessee that are not reflected in the measurement of the lease liabilities include exposures from options of extension and termination. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Management has considered all relevant facts and circumstances that create an economic incentive for the Company as a lessee to exercise the option to extend the lease or not to exercise the option to terminate the lease as at 31 March 2021. The Company shall revise the lease term when there is a change in the facts and circumstances.

The Company is using the net operational cash flows including cash inflows from the financial assets to manage the liquidity.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

	31 March 2021		31 March 2020	
	Less than 1 Year	**More than 1 year**	Less than 1 Year	More than 1 year
Trade payables	**330,793**	**-**	410,094	-
Lease liabilities	**586,889**	**2,172,313**	540,029	2,759,202
Other financial liabilities	**818,277**	**-**	411,697	-

One Advantage LLC
Notes to the financial statements (Continued)
as at and for the year ended 31 March 2021
(Currency : In US Dollar)

20 Related party transactions

Details of related parties including summary of transactions entered into during the year ended 31 March 2021 are summarized below:

Ultimate Holding Company	RPSG Ventures Limited (formerly known as CESC Ventures Limited) (Change in name w.e.f. 19 January 2021)
Holding Company	Firstsource Group USA Inc. Firstsource Solutions Limited Firstsource Business Process Services LLC
Fellow Subsidiary Companies	Kolkata Games and Sports Private Limited Quest Properties India Limited (QPIL) Metromark Green Commodities Private Limited Guiltfree Industries Limited Bowlopedia Restaurants India Limited Herbolab India Private Limited RPSG Resources Private Limited (earlier known as Accurate Commodeal Private Limited) RP - SG Ventures Advisory LLP RP SG Unique Advisory LLP APA Services Private Limited Rubberwood Sports Private Limited ATK Mohun Bagan Private Limited Aakil Nirman LLP Apricot Foods Private Limited Firstsource Dialog Solutions (Private) Limited Firstsource HealthPlans and Healthcare services, LLC (formerly known as Firstsource Transcation Services, LLC) (Change in name w.e.f. 01 October 2020) Firstsource Solution UK Limited Firstsource Process Management Services Limited Medassist Holding, LLC Firstsource Advantage LLC Firstsource BPO Ireland Limited Firstsource Business Process Services LLC Firstsource Solutions USA LLC Sourcepoint Fulfillment Services, Inc (formerly known as ISGN Fulfillment Services, Inc) Sourcepoint Inc. (formerly known as ISGN Solutions, Inc.) PatientMatters, LLC (PM) (acquired on 22 December 2020) Medical Advocacy Services for Healthcare, Inc (MASH) (acquired on December 2020) Kramer Technologies LLC (KT) (acquired on December 2020)
Trust controlled by Ultimate Holding Company	RP - Sanjiv Goenka Group CSR Trust (RPSG CSR Trust)
Directors	Venkatgiri Vandali Randall Shafer

Particulars of related party transactions:

Name of the related party	Description	Transaction value during year ended Amount in USD		Receivable / (Payable) at Amount in USD	
		31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Firstsource Solutions Limited	Recovery of expenses	**238,255**	243,221		-
	Reimbursement of expenses	**14,256**	170,539		-
	Payable	**-**	-	**(18,593)**	(169,539)
Firstsource Group USA Inc	Reimbursement of expenses	**67,784**	38,781	**-**	-
	Recovery of expense	**517,275**	126	**-**	-
	Receiveable	**-**	-	**11,600,926**	6,205,416
Firstsource Health Plans and Healthcare Services, LLC	Reimbursement of expenses	**16,614**	7,053	-	-
	Recovery of expense	**15,595**	6,753	-	-
	Payable	**-**	-	**(20,313)**	(2,993)
Medassit Holding LLC	Reimbursement of expenses	**258,775**	2,095,901	-	-
	Recovery of expense	**1,178,489**	305,783	-	-
	Payable	-	-	**(519,006)**	(25,606)
Firstsource Advantage LLC	Reimbursement of expenses	**264,977**	857,236	-	-
	Recovery of expense	**39,432**	98,341	-	-
	Payable	-	-	**(178,290)**	(31,054)
Sourcepoint Fulfillment Services, Inc	Reimbursement of expense	**-**	9,895	**-**	-
	Receivable	**-**	-	**340,105**	340,105
Sourcepoint Inc	Reimbursement of expense	**7,415**	-	**-**	-
	Payable	-	-	**(7,415)**	-

21 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 Firstsource Solutions Limited ('the Holding Company').

22 Capital and other commitments and contingent liabilities

The Company has capital commitments of USD 6,508 as at 31 March 2021 (31 March 2020: 1,350). There are no contingent liabilities as at 31 March 2021. (31 March 2020 : USD Nil)

23 Subsequent events

The Company evaluated subsequent events from the balance sheet date through 7 July 2021 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
7 July 2021
Mumbai

Venkatgiri Vandali
Director

Randall Shafer
Director