



INDEPENDENT AUDITOR'S REPORT

To the Members of Evolve Technologies & Services Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Evolve Technologies & Services Private Limited ("the Company"), which comprise the Balance sheet as at 31st March 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than Standalone Ind AS Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the Director's Report, Chairmen's statement, (but does not include the standalone Ind AS financial statements and our auditor's report thereon). The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Responsibilities of Management for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Baheti & Somani LLP

Chartered Accountants

FRN: 124298W



Manish Somani

Partner

M. No: 111759

Place: Pune

Date: May 20, 2019

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone Ind AS financial statements of Evolve Technologies & Services Private Limited ("the Company")

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
 - (b) The fixed assets are verified by the management according to the phased program, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies have been noticed.
 - (c) According to the information and The Company does not have any immovable properties of freehold or leasehold land and building as of the year end and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, during the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a) of the Order are not applicable to the Company and hence not commented upon.
- The Company has not granted any loan in the earlier years. Accordingly, the provisions of clause (iii) (b) of the Order are not applicable to the Company and hence not commented upon
- There are no amounts of loan granted to company listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposit during the within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the Order is not applicable.



- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess, and other material statutory dues applicable to it to the appropriate authorities. The Company was not required to deposit any amounts with the Investor Education and Protection Fund.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) There are no dues of income-tax, sales tax, service tax, customs duty, excise duty and value added tax, goods and service tax as on March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in the payment of dues to banks or any financial institutions. The Company has not issued any debentures.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans taken by the Company have been applied for the purpose for which the loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where



applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Baheti & Somani LLP

Chartered Accountants

FRN: 124298W



Manish Somani

Partner

M. No: 111759

Place: Pune

Date: May 20, 2019

Annexure B referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" section of our report of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Evolve Technologies & Services Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:



(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Baheti & Somani LLP

Chartered Accountants

FRN: 124298W



Manish Somani

Partner

Membership No

Place: Pune

Date: May 20, 2019

Evolve Technologies & Services Private Limited
Standalone Balance Sheet as at 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	144.38	201.89
Other intangible assets	5	49.51	66.80
Financial assets			
i. Loans	6	2.67	2.42
Deferred tax assets (net)	14	108.52	79.78
Non-current tax asset (net)	8	1,453.31	856.00
Total non-current assets		1,758.39	1,206.88
Current assets			
Financial assets			
i. Trade receivables	9	344.02	1,014.76
ii. Cash and cash equivalents	10	0.41	23.71
iii. Bank balances other than cash and cash equivalents	10	929.96	918.96
iv. Other financial assets	7	6.27	1,275.37
Contract assets	12	1,567.03	-
Other current assets	13	154.66	81.91
Total current assets		3,002.35	3,314.71
Total assets		4,760.74	4,521.59
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	351.83	351.83
Other equity	16	1,343.64	1,253.58
Total equity		1,695.47	1,605.40
LIABILITIES			
Non-current liabilities:			
Employee Benefit Obligations	17	13.25	45.10
Other non-current liabilities	18	-	126.62
Financial liabilities			
i. Borrowings	21	910.10	910.10
		923.35	1,081.82
Current liabilities:			
Financial liabilities			
i. Borrowings	19	116.86	122.84
ii. Trade payables	20		
a. total outstanding dues of micro and small enterprises		83.97	-
b. total outstanding dues other than (ii)(a) above		366.48	276.87
iii. Other financial liabilities	21	1,152.51	995.05
Other current liabilities	22	397.34	436.14
Employee Benefit Obligations	17	24.76	3.47
Total liabilities		2,141.92	1,834.37
Total equity and liabilities		4,760.74	4,521.59

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For Baheti and Somani LLP
 ICAI Firm Registration Number : 124298W
 Chartered Accountants

Per Manish Somani
 Partner
 Membership Number: 111759
 Place: Pune
 Date: May 20, 2019



For and on behalf of the Board of Directors
 Evolve Technologies & Services Private Limited

Ramani Dathi
 Director
 DIN: 08296675
 Place: Bangalore
 Date: May 17, 2019

N. Ravi Vishwanath
 Director
 DIN: 07332234
 Place: Bangalore
 Date: May 17, 2019



Evolve Technologies & Services Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	23	17,456.30	16,136.97
Other income	24	290.32	77.24
Total income		17,746.62	16,214.21
Expenses			
Employee benefits expense	25	14,349.71	13,498.44
Finance Costs	26	351.00	238.77
Depreciation and amortization expense	27	138.89	217.11
Other expenses	28	2,828.18	1,949.72
Total expenses		17,667.78	15,904.04
Profit before tax		78.84	310.17
Income tax expense:			
- Current tax (Including MAT)		17.70	84.28
- Tax adjustment for earlier years		-	(2.66)
- Deferred tax	29	(17.70)	-
MAT Credit entitlement		(11.09)	(60.56)
Deferred tax charge/ (credit)		-	-
Income tax expense		(11.09)	21.06
Profit for the year		89.93	289.12
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	31		
Remeasurement gains/(losses) of defined benefits obligation		0.19	(23.93)
Income tax effect		(0.05)	7.91
Other comprehensive income for the year, net of tax		0.14	(16.02)
Total comprehensive income for the year, net of tax		90.07	273.10
Earnings per equity share:			
Basic and diluted	30	2.56	8.22

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.
 As per our report of even date

For Baheti and Somani LLP
 ICAI Firm Registration Number: 124298W
 Chartered Accountants

Per Mahesh Somani
 Partner

Membership Number: 111759

Place: Pune

Date: May 20, 2019



For and on behalf of the Board of Directors
 Evolve Technologies & Services Private Limited

Ramani Dathi
 Director

DIN: 08296675

Place: Bangalore

Date: May 17, 2019

N. Ravi Vishwanath
 Director

DIN: 07332234

Place: Bangalore

Date: May 17, 2019



Evolve Technologies & Services Private Limited
Statement of Cash Flows for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Notes	As at 31 March 2019	As at 31 March 2018
Operating activities		
Profit/(Loss) before tax	78.84	310.17
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	121.59	192.32
Amortisation of intangible assets	17.29	24.78
Net foreign exchange differences	-	-
(Gain)/loss on disposal of property, plant and equipment	-	92.87
Interest paid bank overdraft	272.36	229.13
Interest paid - Others	0.26	0.88
Interest paid - Related Party	78.38	8.76
Interest income on fixed deposits	(68.15)	(8.18)
Dividend Income on Mutual Fund Investments	-	(0.07)
Profit on slump sale	-	(36.51)
Provision for Gratuity (net of reversals)	(22.63)	(0.30)
Provision for Leave Encashment	72.24	4.10
Sundry Balances written off	0.00	0.36
Bad debts / advances written off and provided for	13.17	26.45
Working capital adjustments		
(Increase)/decrease in trade receivables	657.57	(952.90)
(Increase)/decrease in other financial assets	1,269.10	(115.62)
(Increase)/decrease in inventories	-	516.24
(Increase)/decrease in contract assets	(1,567.03)	-
(Increase)/decrease in loans	(0.25)	8.87
(Increase)/decrease in other assets	(72.74)	17.01
Increase/(decrease) in trade payables	173.58	4.51
Increase/(decrease) in other financial liabilities	157.45	271.77
Increase/(decrease) in other non-current liabilities	(126.62)	-
Increase/(decrease) in other current liabilities	(38.80)	322.41
Increase/(decrease) in provisions	(59.98)	3.84
	955.64	920.91
Income tax paid (including TDS) (net)	(615.02)	(233.27)
Net cash flows from operating activities	340.62	687.64
Investing activities		
Purchase of property, plant and equipment (including CWIP)	(64.09)	(102.92)
Purchase of intangible assets (including intangibles under development)	-	(2.75)
Proceeds from sale of property, plant and equipment and intangibles	-	392.73
Dividend Income on Mutual Fund Investments	-	0.07
Investments in Fixed deposits (Net)	68.15	(908.97)
Interest received	(11.00)	0.88
Net cash flows from / (used in) investing activities	(6.94)	(620.96)
Financing activities		
Finance cost (including of prepayments)	(351.00)	(257.20)
Proceeds from Borrowings (Net of repayments)	(122.84)	243.17
Net cash flows from / (used in) financing activities	(473.84)	(14.03)
Net increase / (decrease) in cash and cash equivalents	(140.16)	52.65
Cash and cash equivalents at the beginning of the year	23.71	(28.94)
Cash and cash equivalents at the end of the year	(116.45)	23.71

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Baheti and Somani LLP
ICAI Firm Registration Number - 124298W
Chartered Accountants

Per Manish Somani
Partner
Membership Number: 111754
Place: Pune
Date: May 20, 2019



For and on behalf of the Board of Directors
Evolve Technologies & Services Private Limited

Ramani Dathi
Director
DIN: 08296675
Place: Bangalore
Date: May 17, 2019

N. Ravi Vishwanath
Director
DIN: 07332234
Place: Bangalore
Date: May 17, 2019



Evolve Technologies & Services Private Limited
 Standalone Statement of Changes in Equity for the year ended 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount
At 31 March 2018	35,18,250	351.83
Additions during the year	-	-
At 31 March 2019	35,18,250	351.83

* Also refer note 15

b. Other equity

Particulars	Attributable to equity holders of the Company			Total other equity
	Reserves and surplus			Total
	Securities premium	Revaluation reserve	Retained earnings	
For the year ended 31 March 2018				
As at 1 April 2017	13.38	108.94	967.10	1,089.41
Profit for the year	-	-	289.12	289.12
Other comprehensive income	-	-	(16.02)	(16.02)
Total comprehensive income	13.38	108.94	1,240.20	1,362.51
Amount utilized during the year	-	(108.94)	-	(108.94)
As at 31 March 2018	13.38	-	1,240.20	1,253.58
For the year ended 31 March 2019				
As at 1 April 2018	13.38	-	1,240.20	1,253.58
Profit for the year	-	-	89.93	89.93
Other comprehensive income	-	-	0.14	0.14
Total comprehensive income	13.38	-	1,330.27	1,343.64
Less: Reversal on account of business transfer	-	-	-	-
As at 31 March 2019	13.38	-	1,330.27	1,343.64

* Also refer note 16

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Baheti and Somani LLP
 ICAI Firm Registration Number: 124298W
 Chartered Accountants

Per Manish Somani
 Partner

Membership Number: 111759

Place: Bangalore

Date: May 20, 2019



For and on behalf of the Board of Directors
 Evolve Technologies & Services Private Limited

Ramani Dathi
 Director

DIN: 08296675

Place: Bangalore

Date: May 17, 2019

N. Ravi Vishwanath
 Director

DIN: 07332234

Place: Bangalore

Date: May 17, 2019



1 Corporate information

Evolve Technologies and Services Private Limited (the "Company") is an HR Services Company incorporated on July 25, 1991. The Company currently provides clients, solution for their staffing and HR requirements offering a gamut of services that include Temporary Staffing and Permanent Recruitment.

100% shares of the Company was acquired by TeamLease Digital Private Limited w.e.f. November 01, 2017.

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on May 17, 2019.

2 Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

These standalone financial statements for the year ended March 31 2018 are the first the Company has prepared in accordance with Ind AS. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies below ;
- b) Defined benefit plans plan assets measured at fair value; and
- c) Share-based payments is measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

(iii) New and amended standards adopted by the Company

The Company has applied the following Standards and Amendments for the first time for their annual reporting period commencing from April 01, 2018:

- (a) Ind AS 115: Revenue from Contracts with Customers.
- (b) Amendment to Ind AS 12 Income taxes
- (c) Appendix B, Foreign Currency Transactions and Advance Consideration to IND AS 21, The Effects of Changes in Foreign Exchange Rates.

All amounts disclosed in the Standalone Financial Statements and Notes have been rounded off to the nearest lakhs as per the requirement of the Schedule III, unless otherwise stated.

3 Summary of significant accounting policies

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has considered twelve months as its operating cycle.

3.2 Foreign currency translation

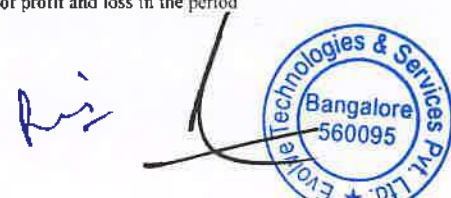
(i) Functional and presentation currency

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates, ie, the "functional currency". The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are initially recorded by the company at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

- 1) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
- 2) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are translated using the exchange rates at the date of the initial transactions. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when fair value was determined.
- 3) Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.



3.3 Revenue Recognition

The company earns revenue primarily from manpower services and business IT services.

Effective 1st April, 2018, the company adopted INDAS 115 (Revenue from Contracts with customers) using Modified Retrospective approach. In accordance with the modified retrospective approach, the comparatives have not been retrospectively adjusted. Following is the summary of the new and/or revised significant accounting policy relating to revenue recognition. The effect of adoption of INDAS 115 is presented in note 39.

The specific recognition criteria described below must also be met before revenue is recognised.

Manpower services

Revenue from manpower services is accounted on accrual basis on performance of the service agreed in the Contract / Mandate Letter between the Company and its customer.

Recruitment Services

Revenue from recruitment services is recognized on accrual basis upon execution of the service.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. 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. Interest income is included in finance income in the statement of profit or loss.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.4 Taxes

Income Tax

Income tax expense comprises current tax expense and deferred tax asset or liability during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, and the carry forward of unused tax credits and unused tax losses, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

3.5 Leases

The ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standard) Amendment Rules, 2019 with effect from 1st April, 2019, which includes Ind AS 116 - Leases, this accounting standard is not in force on the closing date of financial statements

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement



As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern in which user's benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or
- (b) The payment to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

3.6 Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation methods, estimated useful lives

Depreciation is calculated using the straight-line method over their estimated useful lives of the property, plant & equipment as prescribed under Part C of Sch II of the Act as follows;

Asset	Life in Years
Computers	3
Furniture and fixtures	10
Office equipment	5
Vehicles	10

3.7 Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortization methods, estimated useful lives

Amortization is calculated using the straight-line method over the estimated useful lives of the Intangibles as follows;

Intangible assets	Life in Years	Internally generated or acquired
Computer software	10 years	Acquired
Software others	10 years	Acquired



3.8 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that any property, plant & equipment and intangible assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, 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 and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans / debentures / preference shares given to subsidiaries and associates, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries and associates are measured at cost less impairment. Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method (EIR) is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Subsequent measurement

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised through effective interest method if these financial assets are held within a business model 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.

Financial assets at fair value through other comprehensive income

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.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or 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 at fair value through profit or loss are immediately recognised in statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets. Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For trade receivables only, the company applies the simplified approach required by IND AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



Derecognition of financial assets

A financial asset is derecognised only when the rights to receive cash flows from the asset have expired or the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

(ii) Financial Liabilities

Financial liabilities at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost through effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short term maturity of these instruments.

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other change in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



(iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.10 Treasury shares

The Company has created an Employee Benefit Trust ('EBT') for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The promoters of the Company had contributed 201,114 number of shares to EBT, which will be issued to employees in accordance with the Company's Employee stock option plan.

The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve. Share options exercised during the reporting period are adjusted against treasury shares.

3.11 Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

3.12 Employee benefits

Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Defined benefit plan

Gratuity obligations

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income and is transferred to retained earnings in the statement of changes in equity in the balance sheet. Such accumulated re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In addition to the above, the Company recognises its liability in respect of gratuity for associate employees and its right of reimbursement as an asset in accordance with Ind AS 19.

Past service costs are recognised in profit or loss on the earlier of :

- a) The date of the plan amendment or curtailment, and
- b) The date that the company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

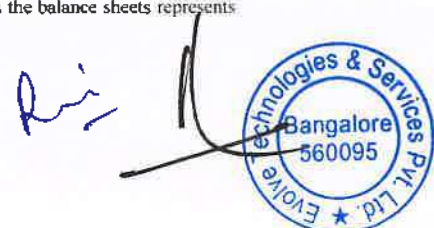
- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

Defined contribution plan

Contribution to Recognised Provident Fund

The Company has a defined benefit plan for post employment benefits in the form of provident fund. The Company makes contribution for provident fund to the trust set up by the Company and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Company.

The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheets represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.



Contribution to Government Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Compensated absences

The employees of the Company are entitled to be compensated for unavailed leave as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation (using the projected unit credit method) at the end of each year. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits and those expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial gains/ losses are recognised in the Statement of Profit and Loss in the year in which they arise.

3.13 Provisions and contingent liability

Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the services are rendered to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liability

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

3.14 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit/loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the company (after adjusting for convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.16 Significant accounting judgments, estimates and assumptions

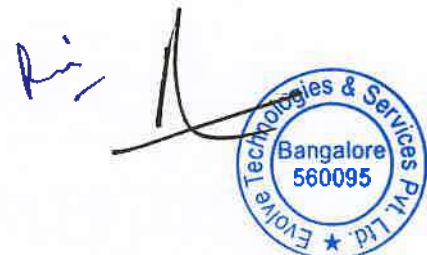
The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount which is higher of fair value less costs of disposal and the value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model and the cash flows are derived from the budget for the next five years. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 31.

Useful life of assets considered for depreciation of Property, Plant and Equipment and amortisation of 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 Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

3.17 Operating segment

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of Company and allocated resources based on the analysis of various performance indicators of the Company. The operating segment comprises of the following:

- a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAPP.
- b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.

3.18 Ind AS 115 Revenue from contracts with customers

Company has adopted IND AS 115 "Revenue from contract with customer" from 01 April 2018 which resulted in change in accounting policies and adjustments in the amount recognised in the financial statements. In accordance with the transition provision in IND AS 115, the company has adopted new rules retrospectively and has restated comparatives for the financial year ended 31 march 2018.

As a result of the changes in the entity's accounting policies, comparative information for prior periods had to be restated. Following changes were made in the financial statement.

* Contract assets recognised in relation to the operating business were previously presented as a part of the Other Current Financial Assets of INR 1,567.03 Lakhs at 31st march 2019. Contract assets are in the nature of unbilled receivables which arises when entity satisfy a performance obligation but does not have an unconditional right to consideration.

Ind AS 21 - Appendix B

The appendix clarifies that, in determining the spot exchange rate to use on the initial recognition of related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- i) The beginning of the reporting period in which the entity first applies the Appendix, or
- ii) The beginning of a prior reporting period presented a comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018.

The Company's operation primarily relate to operations in India, The Directors of the Company do not anticipate that the application of new standard in future will have significant impact on the financial statement.



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Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 4: Property, plant and equipment

	Office equipment	Land	Computers	Plant & Machinery	Vehicles	Building	Total
As at 31 March 2017	5.84	120.61	130.73	383.57	49.96	35.11	725.82
Additions	1.98	-	45.52	55.43	-	-	102.92
Transferred via Slump Sale	(7.82)	(120.61)	(4.85)	(32.61)	(49.96)	(35.11)	(250.97)
Disposals	-	-	(4.20)	(100.52)	-	-	(104.72)
As at 31 March 2018	-	-	167.19	305.86	-	-	473.06
Additions	4.61	-	-	59.48	-	-	64.09
Disposals	-	-	-	-	-	-	-
As at 31 March 2019	4.61	-	167.19	365.35	-	-	537.15
Accumulated depreciation							
As at 31 March 2017	2.62	-	56.72	35.66	12.88	1.61	109.49
Charge during the year	0.95	-	61.21	124.16	5.23	0.77	192.32
Transferred via Slump Sale	(3.57)	-	(1.50)	(4.25)	(18.11)	(2.38)	(29.80)
Disposals	-	-	(0.84)	-	-	-	(0.84)
As at 31 March 2018	-	-	115.60	155.57	-	-	271.17
Charge during the year	1.36	-	34.45	85.79	-	-	121.59
Disposals	-	-	-	-	-	-	-
As at 31 March 2019	1.36	-	150.05	241.36	-	-	392.77
Net Block							
As at 31 March 2018	-	-	51.59	150.29	-	-	201.89
As at 31 March 2019	3.25	-	17.15	123.99	-	-	144.38

Note 5: Other Intangible assets and Intangible asset under development

	Computer - Software	Software - Others	Total
As at 31 March 2017	14.90	15.15	30.05
Additions	2.75	78.13	80.88
Transferred via Slump Sale	(3.44)	(15.15)	(18.58)
Disposals	-	-	-
Reclassify	-	-	-
As at 31 March 2018	14.21	78.13	92.34
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2019	14.21	78.13	92.34
Accumulated amortisation			
As at 31 March 2017	2.89	5.12	8.01
Charge during the year	2.86	21.92	24.78
Transferred via Slump Sale	(0.44)	(6.82)	(7.25)
Disposals	-	-	-
Reclassify	-	-	-
As at 31 March 2018	5.32	20.23	25.54
Charge during the year	2.30	14.99	17.29
Disposals	-	-	-
As at 31 March 2019	7.62	35.22	42.84
Net Block			
As at 31 March 2018	8.89	57.91	66.80
As at 31 March 2019	6.59	42.92	49.51



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Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Financial assets

Note 6: Loans

Non-current

(Unsecured, considered good)

Other Deposits

	31 March 2019	31 March 2018
Other Deposits	2.67	2.42
	2.67	2.42

Current

Other Deposits

Other Deposits	-	-
	-	-

Note 7: Other financial assets

Current

Interest accrued on fixed deposits

Insurance receivable

Unbilled Revenue

	31 March 2019	31 March 2018
Interest accrued on fixed deposits	6.27	7.30
Insurance receivable	-	-
Unbilled Revenue	-	1,268.07
	6.27	1,275.37

Note 14: Deferred tax assets/(liabilities)

Deferred tax assets/(liabilities)

MAT Credit

	31 March 2019	31 March 2018
Deferred tax assets/(liabilities)	90.81	79.78
MAT Credit	17.70	-
	108.52	79.78

As at	Provisions	Depreciation on fixed assets	Defined Benefit Obligation	Total
1 April 2017	-	5.69	5.62	11.31
Charge/(Credit):				
Profit and loss	8.74	44.72	7.10	60.56
Other comprehensive income	-	-	7.91	7.91
31 March 2018	8.74	50.41	20.63	79.78
Charge/(Credit):				
Profit and loss	2.28	9.16	(0.36)	11.09
Other comprehensive income	-	-	(0.05)	(0.05)
31 March 2019	11.02	59.57	20.22	90.81

Reconciliation of deferred tax (net)

Opening balance

Tax credit/ (expense) during the year recognized in statement of profit and loss

Tax expense during the year recognised in OCI

Closing balance

	31 March 2019	31 March 2018
Opening balance	79.78	11.31
Tax credit/ (expense) during the year recognized in statement of profit and loss	11.09	60.56
Tax expense during the year recognised in OCI	(0.05)	7.91
Closing balance	90.82	79.78

Note 8: Non-current tax asset

Advance income tax (net of provision for taxation)

	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation)	1,453.31	856.00
	1,453.31	856.00

Income tax expense in the statement of profit and loss consists of:

Statement of profit and loss:

Profit or loss section

Current income tax:

Current income tax charge

Tax adjustment for earlier years

Mat Credit Entitlement

Deferred tax (net)

Income tax expense reported in the statement of profit or loss

	31 March 2019	31 March 2018
Current income tax:		
Current income tax charge	17.70	84.28
Tax adjustment for earlier years	-	(2.66)
Mat Credit Entitlement	(17.70)	-
Deferred tax (net)	(11.09)	(60.56)
Income tax expense reported in the statement of profit or loss	(11.09)	21.06

Income tax recognised in other comprehensive income

Deferred tax arising on expense/(income) recognised in other comprehensive income

Net loss/(gain) on remeasurements of defined benefit plans

Income tax expense charged to OCI

	31 March 2019	31 March 2018
Deferred tax arising on expense/(income) recognised in other comprehensive income	(0.05)	7.91
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax expense charged to OCI	(0.05)	7.91



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 9: Trade receivables

	31 March 2019	31 March 2018
Trade receivables	1,647.64	1,565.82
Trade receivables from related parties (Refer Note 35)	-	-
	1,647.64	1,565.82
Less:		
Allowance for doubtful debts	(39.62)	(26.45)
Bill Discounting	(1,264.01)	(524.62)
	344.02	1,014.76

Break-up of security details

	31 March 2019	31 March 2018
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,647.64	1,565.82
Trade receivables which have insignificant risk	-	-
Trade receivables Credit impaired	-	-
Total	1,647.64	1,565.82
Less :- Loss Allowance	(39.62)	(26.45)
Less :- Bill Discounting	(1,264.01)	(524.62)
Total Trade Receivables	344.02	1,014.76

- a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- b) Trade receivables are non-interest bearing.
- c) Bill Discounting facility has been secured by hypothecation of first and exclusive charge on all present and future book debts.

Note 10: Cash and cash equivalents

	31 March 2019	31 March 2018
Balances with banks		
- On current accounts	0.24	23.27
Cash on hand	0.17	0.43
	0.41	23.71
Other bank balances		
Deposits with remaining maturity of less than 12 months	929.96	918.96
Deposits with remaining maturity of more than 12 months	-	-
	929.96	918.96
Less : Amounts disclosed under other financial assets	-	-
	929.96	918.96
	930.37	942.67

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2019	31 March 2018
Balances with banks		
- On current accounts	0.24	23.27
Cash on hand	0.17	0.43
	0.41	23.71
Less :- Bank overdraft	(116.86)	-
	(116.45)	23.71

Note 12: Contract Assets

	31 March 2019	31 March 2018
Unbilled Revenue	1,567.03	-
	1,567.03	-

Note 13: Other current assets

	31 March 2019	31 March 2018
Prepaid expenses	105.33	58.42
Prepaid Interest	25.55	18.43
Advance to suppliers	1.47	-
Advance recoverable towards cash or kind	18.97	-
Balances with statutory/ government authorities	2.85	3.48
Loans and advances to employees	0.49	1.59
	154.66	81.91



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 15: Equity share capital and other equity

Equity share capital	31 March 2019	31 March 2018
(i) Authorised equity share capital		
40,00,000 equity shares of Rs. 10 each.	400.00	400.00
(ii) Issued, subscribed and fully paid-up shares		
35,18,250 Lakhs equity shares of Rs. 10 each.	351.83	351.83

(iv) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders	31 March 2019		31 March 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid				
TeamLease Digital Private Limited	35,18,250	100%	35,18,250	100%
	35,18,250		35,18,250	

Note 16: Other equity

	31 March 2019	31 March 2018
Securities premium account	13.38	13.38
Retained earnings	1,330.27	1,240.20
Revaluation reserve	-	-
	1,343.64	1,253.58
Surplus in the statement of profit and loss		
Opening balance	1,240.20	967.10
Net Profit/(Loss) for the year	89.93	289.12
Other comprehensive income recognised directly in retained earnings	0.14	(16.02)
- Remeasurement of post employment benefit obligation, net of tax		
Less : Appropriation during the year	-	-
Closing balance	1,330.27	1,240.20
Revaluation reserve		
Opening balance	-	108.94
Less: Reversal on account of business transfer	-	(108.94)
Closing balance	-	-
Reserve & Surplus		
Opening balance	1,253.58	1,089.41
Increase / (decrease) during the year	90.54	164.16
Closing balance	1,344.11	1,253.58



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 17: Employee Benefit Obligations

	31 March 2019	31 March 2018
Non-current		
Employee benefits - Gratuity (Refer note 31)	8.27	38.66
Employee benefits - Leave Encashment	4.98	6.44
	13.25	45.10
Current		
Employee benefits - Gratuity (Refer note 31)	5.90	0.65
Employee benefits - Leave Encashment	18.86	2.82
	24.76	3.47

Note 19: Other non-current liabilities

	31 March 2019	31 March 2018
Security Deposit Received	-	126.62
	-	127

Note 19: Other non-current liabilities

	Effective interest rate	Maturity	31 March 2019	31 March 2018
Non-current Borrowings				
Unsecured				
Loans and advances from Related Party				
-TeamLease Digital Private Limited	9.00%	On Demand	685.10	910.10
-Keystone Business Solutions Private Limited	9.00%	On Demand	225.00	-
			910.10	910.10
Current Borrowings				
Secured				
Bill Discounting*	9.70%		1,264.01	524.62
HDFC Cash Credit Account**	9.35%		116.86	-
Unsecured				
Term Loan - HDFC Bank	9.30%	07.12.2018	-	122.84
			1,380.87	647.46
Less : Amounts disclosed under Trade receivables (Refer note 9)			1,264.01	524.62
			116.86	122.84

*Bill Discounting facility has been secured by hypothecation of first and exclusive charge on all present and future book debts.

**The Banking facilities are secured by lien on fixed deposits of Rs 929.95 Lakhs (31 March, 2018 of Rs 918.96 lakh) and against all current assets.

Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 20: Trade payables

	31 March 2019	31 March 2018
Current		
Total outstanding dues of micro enterprises and small enterprises	83.97	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	366.48	276.87
	450.45	276.87

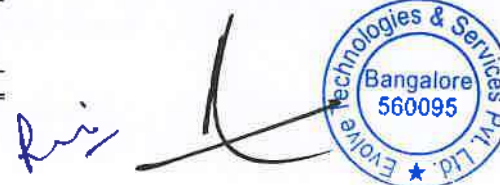
Based on the information available with the Company, there are suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2019

Note 21: Other financial liabilities

	31 March 2019	31 March 2018
Current		
Employees Benefits Payable	961.80	995.05
Security Deposit Received	190.71	-
	1,152.51	995.05

Note 22: Other current liabilities

	31 March 2019	31 March 2018
Statutory dues payable	392.01	435.85
Advance from Customers	5.33	-
Other Liabilities	-	0.29
	397.34	436.14



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. lakhs, unless otherwise stated)

Note 23: Revenue from operations

(Net of taxes)

	31 March 2019	31 March 2018
Sale of Services	17,413.12	16,000.41
Sale of Products	43.17	136.56
Total revenue	17,456.30	16,136.97

Note 24: Other income

Interest income on:

	31 March 2019	31 March 2018
Deposits with banks	68.15	8.18
Income Tax Refund	-	8.76
Income from other services	219.51	-
	287.66	16.93

Profit on slump sale*

Dividend income on mutual fund investments	-	36.51
Miscellaneous income	2.67	0.07
Total other income	290.32	77.24

* On 16th October 2017, the company sold its manufacturing division by entering into an business transaction with Evolve IT Solutions Private Limited

Note 25: Employee benefits expense

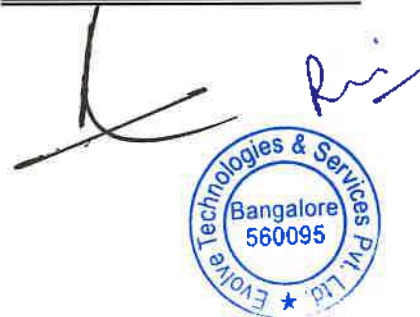
	31 March 2019	31 March 2018
Salaries, wages and bonus	13,607.18	12,927.69
Gratuity expense (Refer note 31)	(22.63)	(0.30)
Leave Encashment	72.24	4.10
Contribution to provident fund and other funds	591.43	515.56
Staff welfare expenses	101.49	51.39
Total employee benefit expense	14,349.71	13,498.44

Note 26: Finance Cost

	31 March 2019	31 March 2018
Interest on loans		
Borrowings	272.36	229.13
Others	0.26	0.88
Interest paid to Related Party	78.38	8.76
	351.00	238.77

Note 27: Depreciation and amortisation

	31 March 2019	31 March 2018
Depreciation of property, plant & equipment	121.59	192.32
Amortization of other intangible assets	17.29	24.78
	138.89	217.11



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. lakhs, unless otherwise stated)

Note 28: Other expenses

	31 March 2019	31 March 2018
Rent	354.27	892.78
Repairs and maintenance	41.76	39.59
Electricity Charges	11.49	11.75
Rates and taxes	5.96	28.56
Communication	49.83	61.24
Travelling and conveyance	1,213.72	42.57
Fixed Assets written off	-	95.75
Loss on sale of Fixed Asset	-	1.78
Legal and professional	6.67	30.24
Payments to auditors (Refer note below)	5.42	5.50
Provision for Bad and Doubtful Debts	13.17	26.45
Office Expenses	0.03	0.84
Cost of Material Consumed	295.73	114.88
Miscellaneous expenses	17.11	20.38
Technical fees	396.37	468.26
Infra support charges	416.61	108.04
Foreign exchange loss (Net)	0.02	1.14
	2,828.18	1,949.72

Note: Payment to auditors

	31 March 2019	31 March 2018
As auditor		
Statutory audit fee	2.50	2.00
Tax audit fee	1.00	0.75
Certification	0.21	-
In other capacity:		
Taxation matters	0.59	1.50
Other services (certification fees)	1.06	1.18
Reimbursement of expenses	0.06	0.07
	5.42	5.50

Note 29: Income tax assets**Deferred tax :**

	31 March 2019	31 March 2018
Decrease/(Increase) in deferred tax	(11.09)	(60.56)
Tax expense/(income) for the year	(11.09)	(60.56)

OCI section

Deferred tax related to items recognised in OCI during the year :

	31 March 2019	31 March 2018
Net loss/(gain) on remeasurements of defined benefit plans	0.19	(23.93)
Income tax charged to OCI	0.19	(23.93)

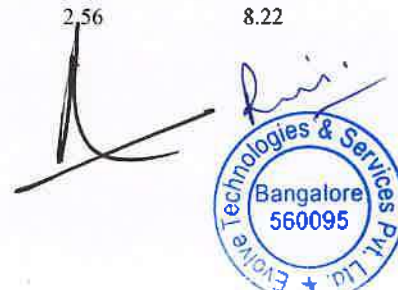
Reconciliation of effective tax rate:

	31 March 2019	31 March 2018
Profit before tax	78.84	310.17
Tax using the Company's domestic tax rate @ 27.82% (March 31, 2018: 33.063%)	21.93	102.55
Tax effect of:		
Others	(17.68)	12.67
Net disallowances	62.03	0.39
80JJA Deduction	(77.38)	(94.23)
Income tax expense/(income)	(11.09)	21.38

Note 30: Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2019	31 March 2018
Profit/(Loss) attributable to equity shareholders	89.93	289.12
Nominal value of each equity share (Rs.)	10.00	10.00
Weighted average number of equity shares outstanding during the year	35,18,250	35,18,250
EPS - basic and diluted (Rs.)	2.56	8.22



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. lakhs, unless otherwise stated)

Note 31: Employee benefit obligation

Gratuity (Core employees)

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of

Net defined benefit liability/ (assets)

	31 March 2019	31 March 2018
Present value of funded obligation	14.17	39.31
Fair value of plan assets	-	-
Net liability	14.17	39.31

Net benefit cost recognised in statement of profit and loss

	31 March 2019	31 March 2018
Current service cost	2.50	4.69
Past service cost	-	-
(Gains)/Losses on Curtailments And Settlements	(26.08)	-
Interest cost on defined benefit obligation	0.95	1.00
Net benefit expense	(22.63)	5.69

Remeasurement loss/(gains) in other comprehensive income

Particulars	31 March 2019	31 March 2018
Due to change in demographic assumptions	4.88	21.71
Due to change in financial assumptions	0.10	(19.37)
Due to change in experience adjustments	(5.18)	21.59
Actuarial loss recognised in OCI	(0.19)	23.93

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at beginning of the year	39.31	15.67
Current service cost	2.50	4.69
Interest cost on defined benefit obligation	0.95	1.00
Benefits paid	(2.32)	-
(Gain)/Loss on Curtailment	(26.08)	-
Liability Transferred Out/ Divestments	-	(5.99)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumption	4.88	21.71
Actuarial (gain) / loss arising from changes in financial assumptions	0.10	(19.37)
Actuarial (gain) / loss arising from changes in experience adjustments	(5.18)	21.59
Defined benefit obligation at end of the year	14.17	39.31

	31 March 2019	31 March 2018
Current	5.90	0.65
Non-current	8.27	38.66



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Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. lakhs, unless otherwise stated)

The principal assumptions used in determining gratuity benefit obligation are shown below:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Discount rate	6.53%	7.18%
Salary escalation rate	5.00%	5.00%
Attrition rate	52%	51%
Retirement age	60	60
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	

Note:

1) The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, parameter and other relevant factors such as supply and demand factors in employment matter.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2019 and 31 March 2018 are as shown below:

	<u>Discount rate</u>		<u>Salary escalation rate</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>	<u>31 March 2019</u>	<u>31 March 2018</u>
1% increase	0.16	9.40	0.16	9.52
1% decrease	(0.16)	7.27	(0.16)	(7.46)

	<u>Attrition rate</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
1% increase	(0.08)	0.98
1% decrease	0.08	(1.56)

The sensitivity analyses above have been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions used at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years

	<u>31 March 2019</u>	<u>31 March 2018</u>
Year 1	5.90	0.65
Year 2	4.09	0.48
Year 3	2.48	0.60
Year 4	1.38	0.71
Year 5	0.75	0.85
Next 5 years	0.73	5.03

The Company expects to contribute Rs.5.90 lakhs (31 March 2018: Rs 0.65 lakhs) in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is around 2 years (31 March 2018: 23 years).



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. lakhs, unless otherwise stated)

Note 32: Fair value measurements

Financial instruments by category and hierarchy

Particulars	31 March 2019		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans -Others	2.67	-	-
Trade receivables	344.02	-	-
Cash and cash equivalents	0.41	-	-
Bank balances other than cash and cash equivalents	929.96	-	-
iv. Other financial assets	6.27	-	-
Total financial assets	1,283.32	-	-
Financial liabilities			
ii. Trade payables	-	-	-
Other financial liabilities	1,152.51	-	-
Total financial liabilities	1,152.51	-	-
Particulars	31 March 2018		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans -Others	2.42	-	-
Trade receivables	1,014.76	-	-
Cash and cash equivalents	23.71	-	-
Bank balances other than cash and cash equivalents	918.96	-	-
Other financial assets	7.30	-	-
Total financial assets	1,967.15	-	-
Financial liabilities			
ii. Trade payables	-	-	-
Other financial liabilities	995.05	-	-
Total financial liabilities	995.05	-	-

Management has assessed that the fair value of cash and cash equivalents, loans receivable, trade receivables, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included in the amount at which the instruments could be exchanged in a current transaction between fulfilling parties, other than in a forced or liquidation sale.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: This level of hierarchy includes financial assets and liabilities, measured using quoted prices (unadjusted) in active markets. This category consists of investment in mutual funds.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unquoted preference shares included in Level 3.

As at 31 March 2019	Level 1	Level 2	Level 3
Assets measured at fair value			
Investment in preference shares	-	-	-
Investment in mutual fund	-	-	-
As at 31 March 2018			
Assets measured at fair value			
Investment in mutual fund	-	-	-

Note 33: Financial risk management objectives and policies

- The Company's board of directors have the overall responsibility of the establishment and oversight of its risks management framework.
- The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.
- The Company's activities exposes it to market risk, liquidity risk and credit risk.
- These risks are identified on a continuous basis and assessed for the impact on the financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises two types of risk: interest rate risk and foreign currency risk.

Financial instruments affected by market risks include trade receivable and trade payable.



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Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019

(All amounts in Rs. lakhs, unless otherwise stated)

(i) Foreign Currency Risk

Foreign currency risks is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities with banks and financial institutions, loans receivables, investments and other financial instruments.

Trade receivables

With respect to trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Assets under credit risk

	31 March 2019	31 March 2018
Trade receivable	344.02	1,014.76
Loans to employees	0.49	1.59
Other financial assets	6.27	7.30
Total	350.77	1,023.65

The following table summarises the changes in the loss allowance measured using ECL:

Particulars	31 March 2019	31 March 2018
Opening balance	26.45	-
Amount provided/ (reversed) during the year	13.17	26.45
Closing provision	39.62	26

Financial instrument and cash deposit

Credit risk from balances with the banks and financial institutions and current investment are managed by the Company's treasury team based on the Company's policy. Investment of surplus fund is made only with approved counterparties.

Counterparty credit limits are reviewed by the company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	0-1 year	1-2 years	2 years and above	Total
As at 31 March 2019				
Bank Overdraft	116.86	-	-	116.86
Trade payables	-	-	-	-
Other financial liabilities	1,152.51	-	-	1,152.51
	1,269.37	-	-	1,269.37
As at 31 March 2018				
Bank Overdraft	122.84	-	-	122.84
Trade payables	-	-	-	-
Other financial liabilities	995.05	-	-	995.05
	1,117.89	-	-	1,117.89

Note 34: Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong capital base to ensure independence, to ensure sustained growth in business.

The Company is predominantly equity financed. To maintain and adjust capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has very minimal amount of borrowings and mainly funded through equity, the existing surplus funds along with the cash generated by the Company are sufficient to meet its current/non-current obligation and working capital requirements.



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Evolve Technologies & Services Private Limited
Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 35: Related party disclosure

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Holding Company	TeamLease Digital Private Limited ('TDPL')
b) Ultimate Holding Company	TeamLease Services Limited ('TSL')
c) Fellow Subsidiary	Keystone Business Solutions Private Limited (('KBSPL')
d) Key management personnel and their relatives	Mr. Amitoj Sethi
e) Enterprises where key Managerial Personnel or their relatives exercise significant influence (where transactions have	Evolve IT Solutions Private Limited ('ESPL')

(ii) Transactions with related parties

Transactions with related parties	31 March 2019	31 March 2018
Acceptance of Loan		
Holding Company		
TDPL	1,570.00	950.10
KBSPL	225.00	-
Loan Repaid to		
Holding Company		
TDPL	1,795.00	48.76
KBSPL	-	-
Interest Expense on Loan from Holding Company		
TDPL	76.40	8.76
KBSPL	1.98	-
Repayment of Loan		
Key Managerial Personnel		
Mr. Amitoj Sethi	-	100.00
Consultancy/Purchase/Services charges paid		
Service charges		
TLSL	28.75	21.92
Enterprises where key Managerial Personnel or their relatives exercise significant influence		
Evolve IT Solutions Private Limited ('ESPL')	270.30	79.18
Service charges/ Interest Charges / rent income		
Enterprises where key Managerial Personnel or their relatives exercise significant influence		
WRS Info India Private Limited	-	-
TLSL	0.47	-
Managerial remuneration (Refer Note 1 below)		
Key managerial personnel and their relatives		
Mr. Amitoj Sethi	-	28.00

(iii) Outstanding balances as at year ended

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 March 2019	31 March 2018
Loans Payable		
Holding Company		
TDPL	685.10	910.00
KBSPL	225.00	-
Key Managerial Personnel		
Trade/other Receivable		
Enterprises where key Managerial Personnel or their relatives exercise significant influence		
Evolve IT Solutions Pvt Ltd		
Trade/other Payable		
Ultimate Holding		
TLSL	-	23.67
Enterprises where key Managerial Personnel or their relatives exercise significant influence		
Evolve IT Solutions Pvt Ltd	57.02	35.38

Terms and conditions of transactions with related parties

- As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the company as a whole, the amount pertaining to directors are not included.
- Net of provision for diminution in the value of investments.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 36: Commitments**(a) Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at:

	31 March 2019	31 March 2018
Property, plant and equipment	-	-

(b) Other Commitments

Guarantees given by banks against fixed deposits as at 31st March, 2019 Rs.48.18 Lakhs (31 March 2018 Rs.36.08 Lakhs)

Guarantees against fixed deposits	31 March 2019	31 March 2018
Power Grid Corporation Of India Ltd	25.10	33.67
Chief Manager (C&M), Power Grid	-	1.87
The Assistant Commissioner Of Central Excise	-	0.54
Rajasthan Medical Service	5.49	-
Security Department	8.94	-
Principal of Agriculture College	4.67	-
Commanding Officer	1.17	-
Postal Directorate	1.32	-
Board of Trustees	1.49	-
Total	48.18	36.08

Note 37: Non-cancellable operating leases

The Company has entered into various cancellable and non-cancellable operating lease agreements for office premises at various locations. The lease rental charged during the year and obligation on the long term non-cancellable operating lease as per the lease agreement are as follows :

	31 March 2019	31 March 2018
Lease rentals under cancellable and non-cancellable leases	50.38	45.36

Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

	31 March 2019	31 March 2018
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-

Note 38: Deduction under section 80JJAA

As per the amendment in the Finance Act 2016, deduction under section 80JJAA of the Income tax Act, 1961, was extended across to all the sectors. As per the provisions of section 80JJAA, an assessee will be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to fulfilment of the other conditions mentioned in the section 80JJAA. The Company has availed the benefit during the year ended 31 March 2018 and will continue to avail the benefit during the year ended 31 March 2019 as well. It is to be noted that for current year, company has not claimed any additional deduction under section 80JJAA. As a result of this, the Company is required to pay MAT as per Section 115JB of the Income Tax Act, 1961.



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Note 39: First time Adoption

The Company applied INDAS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, comparative prior period has not been adjusted.

The Company has elected to apply the revenue standard only to contracts that are not completed as at the date of initial application.

The following table presents the amount by which each financial statement line item is affected in the current year ended 31 March, 2019 by application of INDAS 115 as compared with the previous revenue recognition requirements. Line item that were not affected by the changes have not been included. As a result the subtotals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more details below:

Balance Sheet (Extract)/ Profit and loss (Extract) year ended 31st March 2019	31st March 2019 without adoption of IND AS 115	Increase/(Decrease)	31st March 2019 as reported
Current Assets			
Contract assets	-	1,567.03	1,567.03
Other Financial Assets			
Unbilled revenue	1,567.03	(1,567.03)	-

Note 40: Contingent liabilities

There are no reportable contingent liability.

Note 41: Previous Year

Figures of previous year have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year classification

Signatures to Note Number 1 to 41 forming part of the financial statements

For Baheti and Somani LLP
ICAI Firm Registration Number : 124298W
Chartered Accountants

For Manish Somani
Partner

Membership Number: 144759

Place: Pune

Date: May 20, 2019



For and on behalf of the Board of Directors
Evolve Technologies & Services Private Limited

Ramani Dathi
Director

DIN: 08296675

Place: Bangalore

Date: May 17, 2019

N. Ravi Vishwanath
Director

DIN: 07332234

Place: Bangalore

Date: May 17, 2019

