

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF TEAMLEASE DIGITAL PRIVATE LIMITED (formerly TeamLease Staffing Services Private Limited)****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **TEAMLEASE DIGITAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility 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 Companies Act, 2013 ("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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) referred to in Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis to our audit opinion on the standalone Ind AS financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its losses including other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter

We draw attention to note 40 to the standalone Ind AS financial statements. Pursuant to the scheme of amalgamation as approved by the National Company Law Tribunal, Mumbai Bench and Chennai Bench vide their order dated 16.11.2017 and 30.11.2017 respectively, the two wholly owned subsidiaries of the Company, ASAP Info Systems Private Limited and Nichepro Technologies Private Limited, merged with the Company with effect from January 01, 2017 (the 'appointed date'). The accounting of the transactions pursuant to the merger including recognition and amortisation of goodwill is under the purchase method of AS-14 "Accounting for Amalgamation", which is in accordance with the approved scheme. Had the scheme not prescribed this treatment, then the Company would have accounted Goodwill on Merger in accordance with Ind-AS 103 on business combinations. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable 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, the Statement of Cash Flows 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 relevant rule issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer to Note 41 to the standalone Ind AS financial statements.
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,
Chartered Accountants
FRN: 001983S



Paresh Daga
Partner
M.No. 211468

Place: Bangalore
Date: 15-05-2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under '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 TEAMLEASE DIGITAL PRIVATE LIMITED ("the Company") as of March 31, 2018 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. 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 Companies Act, 2013.

Auditor's 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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with 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.

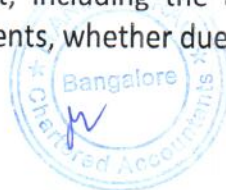
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. No. 361, I Floor, 7th Cross,

I Block Jayanagar, Bangalore - 560 011.

Ph: +91 80 26569500

Telefax: +91 80 26569501

Email: contact@manian-rao.com



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

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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Manian & Rao,
Chartered Accountants
FRN: 001983S


Paresh Daga
Partner
M.No. 211468



Place: Bangalore
Date: 15-05-2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 (three) years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building 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) The Company has granted unsecured loans to two subsidiaries covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the subsidiaries listed in the register maintained under Section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the subsidiaries listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loans granted to the subsidiaries listed in the registered maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of The Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly paragraph 3(v) of the order is not applicable.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the Services rendered by the Company.



(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 (other than as detailed below), including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.

As on March 31, 2018 the Company had undisputed statutory dues outstanding for a period of more than six months from the date they became payable. Details of the same is as under:

Nature of Dues	Amount Involved (INR in lakhs) relating to prior years	Amount Involved (INR in lakhs) relating to FY 2017-18
Tax Deduction at source including interest thereon	40.20	-
Provident Fund	28.02	0.10
Professional Tax	2.51	0.17
Service Tax including interest thereon	20.20	9.65
Employee's State Insurance	1.64	-

(b) According the information and explanations given to us there are no dues of duty of customs, sales tax, duty of excise, service tax, Goods and Services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved(INR)
The Income Tax Act, 1961	Income Tax	CIT (A)	A.Y 2007-08	33,50,670
The Income Tax Act, 1961	Income Tax	CIT (A)	A.Y 2014-15	34,73,920

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks or government or dues to debenture holders. Accordingly, paragraph 3(viii) of the order is not applicable.



- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees 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 paragraph 3 (xii) of the Order is not applicable.
- (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 based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manian & Rao,
Chartered Accountants
FRN: 001983S

Paresh Daga
Partner
M. No. 211468



Place: Bangalore
Date: 15-05-2018

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
 Standalone Balance Sheet as at 31 March 2018
 (All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	111.33	116.17	-
Goodwill	5	6,539.37	7,286.73	-
Other intangible assets	5	961.35	1,274.03	-
Financial assets				
Investments	6	5,410.15	820.00	-
Loans	7	0.22	0.22	-
Other financial assets	8	14.54	10.04	-
Deferred tax assets (net)	9	367.16	650.57	-
Income tax asset (net)	10	1,658.95	683.42	-
Total non-current assets		15,063.08	10,841.17	-
Current assets				
Financial assets				
Trade receivables	11	1,582.21	1,011.74	-
Cash and cash equivalents	12	131.44	106.00	-
Bank balances other than cash and cash equivalents	13	135.03	126.46	-
Loans	7	947.74	50.55	-
Other financial assets	8	937.05	821.16	-
Other current assets	14	76.51	68.22	-
Total current assets		3,809.97	2,184.12	-
Total assets		18,873.04	13,025.29	-
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	15	473.50	341.00	-
Other equity	16	1,630.89	2,174.72	-
Total equity		2,104.39	2,515.72	-
LIABILITIES				
Non-current liabilities:				
Financial liabilities				
Borrowings	17	11,600.00	7,970.00	-
Provisions	18	39.13	80.15	-
Total non-current liabilities		11,639.13	8,050.15	-
Current liabilities:				
Financial liabilities				
Borrowings	17	2,983.18	1,462.96	-
Trade payables	19	84.66	126.47	-
Other financial liabilities	20	1,724.41	587.13	-
Provisions	18	8.80	15.74	-
Other current liabilities	21	328.48	267.12	-
Total current liabilities		5,129.52	2,459.42	-
Total liabilities		16,768.66	10,509.57	-
Total equity and liabilities		18,873.04	13,025.29	-

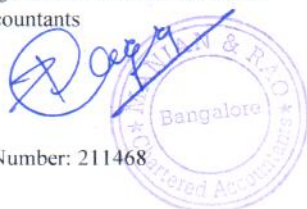
Summary of significant accounting policies 3

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

As per our report of even date.

For MANIAN & RAO
 ICAI Firm Registration Number : 001983S
 Chartered Accountants

Paresh Daga
 Partner
 Membership Number: 211468



For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli
 Director
 DIN: 00151814

N. Ravi Vishwanath
 Director
 DIN: 07332234



Place: Bangalore
 Date: May 15, 2018

Place: Bangalore
 Date: May 15, 2018

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Standalone Statement of Profit and Loss for the year ended 31 March 2018

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

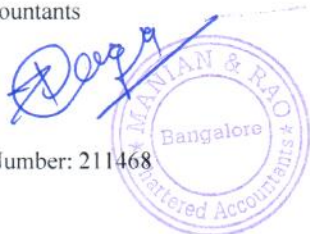
	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	22	9,866.76	2,196.82
Other income	23	45.52	48.51
Total income		9,912.27	2,245.33
Expenses			
Employee benefits expense	24	8,055.93	1,748.78
Finance Costs	25	1,005.67	230.38
Depreciation and amortization expense	26	1,092.25	272.75
Other expenses	27	646.29	185.34
Total expenses		10,800.14	2,437.25
Profit/(Loss) before tax		(887.87)	(191.92)
Tax expense:			
- Current tax (Including MAT)		-	69.60
- Tax adjustment for earlier years		(74.54)	-
- Deferred tax	28	276.73	(1,037.82)
Deferred tax charge/ (credit)			
Income tax expense(net)		202.19	(968.22)
Profit/(Loss) after tax for the year		(1,090.06)	776.30
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) of defined benefits obligation	31	22.89	57.39
Income tax effect		(6.67)	(18.97)
Other comprehensive income for the year, net of tax		16.23	38.41
Total comprehensive income/(loss) for the year, net of tax		(1,073.83)	814.72
Earnings per equity share:			
Basic	29	(31.93)	66.68
Diluted	29	(31.93)	58.26
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 MANIAN & RAO
ICAI Firm Registration Number : 001983S
Chartered Accountants

Paresh Daga
Partner
Membership Number: 211468

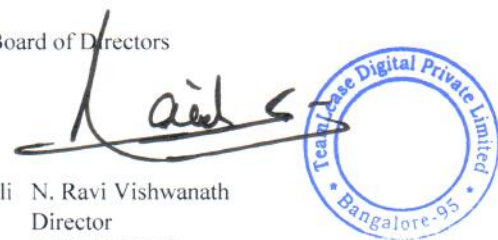


Place: Bangalore
Date: May 15, 2018

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli
Director
DIN: 00151814

N. Ravi Vishwanath
Director
DIN: 07332234



Place: Bangalore
Date: May 15, 2018

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
 Standalone Statement of Changes in Equity for the year ended 31 March 2018
 (All amounts in Rs. lakhs, unless otherwise stated)

a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount
Equity shares of Rs. 10 each:		
At 1 April 2016	-	-
Additions during the year	34,10,000	341.00
At 31 March 2017	34,10,000	341.00
Additions during the year	13,25,000	132.50
At 31 March 2018	47,35,000	473.50

Also refer note 15

b. Other equity

Particulars	Attributable to equity holders of the Company		Total other equity
	Reserves and surplus		
	Securities premium	Retained earnings	Total
For the year ended 31 March 2017			
As at 1 April 2016	-	-	-
Profit/(Loss) for the year	-	776.30	776.30
Other comprehensive income	-	38.41	38.41
Total comprehensive income	-	814.72	814.72
Premium received on issue of shares	1,360.00	-	1,360.00
As at 31 March 2017	1,360.00	814.72	2,174.72
For the year ended 31 March 2018			
As at 1 April 2017	1,360.00	814.72	2,174.72
Profit/(Loss) for the year	-	(1,090.06)	(1,090.06)
Other comprehensive income	-	16.23	16.23
Total comprehensive income	1,360.00	(259.11)	1,100.89
Premium received on issue of shares	530.00	-	530.00
As at 31 March 2018	1,890.00	(259.11)	1,630.89

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 MANIAN & RAO
 ICAI Firm Registration Number : 001983S
 Chartered Accountants

Paresh Daga
 Partner
 Membership Number: 211468



Place: Bangalore
 Date: May 15, 2018

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli N. Ravi Vishwanath
 Director Director
 DIN: 00151814 DIN: 07332234

Place: Bangalore
 Date: May 15, 2018



(Signature)

(Signature)

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Standalone Statement of Cash Flows for the year ended 31 March 2018

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

Notes	As at 31 March 2018	As at 31 March 2017
Operating activities		
Profit/(Loss) before tax	(887.87)	(191.92)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	32.21	7.81
Amortisation of intangible assets	312.68	78.10
Amortization of Goodwill	747.36	186.84
Finance Costs	1,005.67	230.38
Finance income	(19.68)	(40.87)
Liabilities no longer required written back	(25.46)	(7.64)
Sundry balances written off	15.49	0.52
Bad debts / advances written off and provided for	82.27	56.42
Provision for Gratuity	29.95	(7.74)
Provision for Leave Encashment (Net of reversals)	(25.82)	11.02
Operating cash flows before working capital changes	1,266.80	322.93
Working capital adjustments		
(Increase)/decrease in trade receivables	(652.74)	(165.32)
(Increase)/decrease in loans	12.91	6.90
(Increase)/decrease in unbilled revenue	(116.00)	137.54
(Increase)/decrease in other current assets	(23.78)	(0.35)
Increase/(decrease) in trade payables	(16.35)	40.55
Increase/(decrease) in other financial liabilities	192.49	19.51
Increase/(decrease) in other current liabilities	61.37	(49.51)
Increase/(decrease) in provisions	(29.20)	-0.60
Cash generated from operating activities	695.50	311.64
Income tax paid (including TDS) (net)	(900.99)	(129.76)
Net cash flows from operating activities (A)	(205.49)	181.88
Investing activities		
Purchase of property, plant and equipment (including CWIP)	(27.38)	(1.35)
Purchase of intangible assets	-	(1.96)
Consideration paid for acquisition of business net of cash and cash equivalents	-	(10,364.21)
Purchase/sale of Non-current investments	(3,505.31)	(770.00)
Loan given to related parties (net of repayments)	(910.10)	-
Amounts invested in fixed deposits with banks	(12.39)	(0.46)
Interest received	19.12	39.27
Net cash flows from / (used in) investing activities (B)	(4,436.05)	(11,098.71)
Financing activities		
Proceeds from issue of equity share capital	662.50	1,701.00
Proceeds from issue of compulsorily convertible debentures (CCDs)	3,630.00	7,970.00
Proceeds from borrowings (Net of repayments)	1,024.28	1,332.24
Interest on borrowings (including CCDs)	(1,145.73)	(90.33)
Net cash flows from / (used in) financing activities (C)	4,171.05	10,912.91
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(470.50)	(3.92)
Cash and cash equivalents at the beginning of the period/year	(3.92)	-
Cash and cash equivalents at the end of the period/year	(474.41)	(3.92)

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 MANIAN & RAO
ICAI Firm Registration Number : 001983S
Chartered Accountants

Paresh Daga
Partner
Membership Number: 211468



Place: Bangalore
Date: May 15, 2018

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli
Director
DIN: 00151814

N. Ravi Vishwanath
Director
DIN: 07332234

Handwritten signature of Ashok Kumar Nedurumalli.

Handwritten signature of N. Ravi Vishwanath.



Place: Bangalore
Date: May 15, 2018

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

1 Corporate information

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited) (the "Company") was incorporated as a HR Services Company on July 04, 2016.

ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited ("Nichepro"), the two subsidiaries of the Company got merged into the Company by the order of NCLT, Chennai and Mumbai with appointed date as January 01, 2017.

The Company changed its name from TeamLease Staffing Services Private Limited to TeamLease Digital Private Limited and obtained a fresh certificate of incorporation dated March 08, 2018. The Company is a 100% subsidiary of TeamLease Services Limited.

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 15, 2018.

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, and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements of the Company for the period ended 31 March 2017 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Rules, 2016 (as amended) and other relevant provisions of the Act. These standalone financial statements for the year ended March 31 2018 are the first financial statement which the Company has prepared in accordance with Ind AS. Refer note 41 for information on how the Company adopted IND AS.

(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; and
- b) Defined benefit plans plan assets 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.

The standalone financial statements are presented in Indian Rupee and all values are rounded to nearest lakhs except when 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

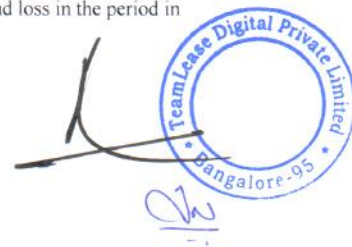
(i) Functional and presentation currency

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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.

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.

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 re-assessed 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.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

3.5 Leases

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:

- 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
- 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 and 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 Schedule II of the act as follows;

Asset	Life in Years
Computers	3
Furniture and fixtures	3 to 10
Office equipment	3 to 5
Electrical Equipments (included in Office Equipment)	8
Vehicles	8

3.7 Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

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.

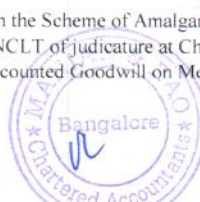
Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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.

A summary of the policies applied to the Company's intangible assets is, as follows:

Asset	Life in Years
Computer software	3-5 years
Software others	3-5 years
Other Intangible Assets	3-5 years
Goodwill on merger	10 years

The Company has been amortizing Goodwill on Merger in accordance with the Scheme of Amalgamation approved by the Hon'ble NCLT of jurisdiction at Mumbai vide its order dated 16.11.2017 and by the Hon'ble NCLT of jurisdiction at Chennai vide their Order dated 30.11.2017. Had the scheme not prescribed this treatment, then the Company would have accounted Goodwill on Merger in accordance with Ind AS. Also, refer Note 40 for the details on Scheme of Amalgamation.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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 Investments in subsidiaries and associates

(i) Initial recognition

The acquired investments in subsidiaries and associates are measured at acquisition date fair value.

(ii) Subsequent measurement

Investments in equity shares of subsidiaries and associates are accounted either

(a) at cost, or

(b) in accordance with Ind AS 109, Financial Instruments

The Company has elected to account its investment in subsidiaries and associates at cost.

3.10 Financial instruments

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 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.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost 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.

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 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.

(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 using the 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. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and 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.

3.11 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 current 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 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 end 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 product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. Based on past experience, no provision for warranty is accounted.

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.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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 holders of the parent (after adjusting for convertible instruments) 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

Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

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. Refer note 36 for further disclosures.

Contingent liabilities:

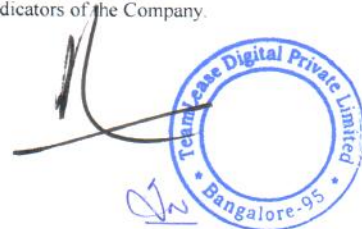
Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

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 Company operates in only one segment and hence segment reporting is not applicable.



3.18 Changes in accounting policies and disclosures

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is in the process of determining the impact on the financial statements.

b) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

c) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the 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 the 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 as 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 April 1, 2018. This amendment does not have any material effect on the financial statements of the Company.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

Note 4: Property, plant and equipment

	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
Deemed cost at 1 April 2016	-	-	-	-	-
Acquired through Merger	48.45	79.48	78.52	13.80	220.25
Additions	1.23	-	0.12	-	1.35
Disposals	-	-	-	-	-
As at 31 March 2017	49.68	79.48	78.64	13.80	221.60
Additions	12.94	4.54	9.90	-	27.38
Disposals	-	-	-	-	-
As at 31 March 2018	62.61	84.02	88.55	13.80	248.98
Accumulated depreciation					
Acquired through Merger	22.60	60.87	12.40	1.76	97.63
Charge during the year	2.36	2.58	2.46	0.40	7.81
Disposals	-	-	-	-	-
As at 31 March 2017	24.96	63.44	14.87	2.16	105.44
Charge during the year	9.61	10.69	10.27	1.64	32.21
Disposals	-	-	-	-	-
As at 31 March 2018	34.58	74.13	25.14	3.80	137.65
Net Block					
As at 1 April 2016	-	-	-	-	-
As at 31 March 2017	24.71	16.03	63.78	11.64	116.17
As at 31 March 2018	28.04	9.89	63.41	10.00	111.33

Notes:

1. There has been no impairment losses recognised during the year or previous year.
2. Figures under Acquired through merger relates to assets taken over by the Company from ASAP and Nichepro as per the Scheme of Amalgamation. Refer Note 40 for details of the Scheme.

Note 5: Goodwill & Other Intangible assets

	Customer relationships	Brand	Non competent rights	Software - Others	Total	Goodwill
Deemed cost at 1 April 2016	-	-	-	-	-	-
Acquired through Merger	1,034.14	50.26	252.25	16.12	1,352.77	7,473.57
Additions	-	-	-	1.96	1.96	-
Disposals	-	-	-	-	-	-
As at 31 March 2017	1,034.14	50.26	252.25	18.08	1,354.73	7,473.57
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 March 2018	1,034.14	50.26	252.25	18.08	1,354.73	7,473.57
Accumulated amortisation						
Acquired through Merger	-	-	-	2.60	2.60	-
Charge during the year	55.08	4.67	17.08	1.27	78.10	186.84
Disposals	-	-	-	-	-	-
As at 31 March 2017	55.08	4.67	17.08	3.87	80.70	186.84
Charge during the year	220.32	18.68	68.34	5.34	312.68	747.36
Disposals	-	-	-	-	-	-
As at 31 March 2018	275.40	23.35	85.42	9.21	393.38	934.20
Net Block						
As at 1 April 2016	-	-	-	-	-	-
As at 31 March 2017	979.06	45.59	235.16	14.22	1,274.03	7,286.73
As at 31 March 2018	758.74	26.91	166.83	8.87	961.35	6,539.37

Notes:

1. There has been no impairment losses recognised during the year or previous year.
2. Figures under Acquired through merger relates to assets taken over by the Company from ASAP and Nichepro as per the Scheme of Amalgamation. Refer Note 40 for details of the Scheme.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 6: Investments

Investments - non current
Unquoted carried at cost

	31 March 2018	31 March 2017	1 April 2016
(i) Investments in subsidiaries (at cost)			
Keystone Business Solutions Private Limited (KBS) 42,627 (31 March 2017: 42,627; 1 April 2016: NIL) equity shares of Rs. 10 each, fully paid (Refer note 1 below)	820.00	820.00	-
Evolve Technologies and Services Private Limited (ETSPL) 3,518,250 (31 March 2017: NIL; 1 April 2016: NIL) equity shares of Rs. 10 each, fully paid (Refer note 2 below)	4,590.15	-	-
Less: Provision for Diminution in the Value of Investments	-	-	-
	5,410.15	820.00	-
Aggregate Vaue of Unquoted Investments	5,410.15	820.00	-
Agregate amount of provision for diminution in the value of investments	-	-	-

Notes:

- On 16 January, 2017, the Company signed a definitive agreement to acquire Keystone Business Solutions Private Limited ("Keystone"), a company incorporated under Companies Act, 1956 at an agreed consideration of Rs.820.00 lakhs. The control of Keystone got transferred on 01 February, 2017.
- During the year ended 31 March, 2018, the Company signed a definitive agreement on 16 October, 2017, to acquire 100% stake in Evolve Technologies and Services Private Limited ("ETSPL"), a company incorporated under Companies Act, 1956 at an agreed consideration of Rs. 4,590.15 lakhs. ETSPL is engaged in the business of staffing including outsourcing manpower, managed services and placement services. The control of ETSPL got transferred on 01 November, 2017.

Note 7: Loans

Non-current

(Unsecured, considered good)

Security deposit

Other Deposits

	31 March 2018	31 March 2017	1 April 2016
Security deposit	-	-	-
Other Deposits	0.22	0.22	-
	0.22	0.22	-
Current			
Loans to related parties (refer note 35)	910.10	-	-
Security deposit	37.64	50.55	-
	947.74	50.55	-

Note 8: Other financial assets

Non-current

Interest accrued on fixed deposits

Fixed deposits with banks (maturity of more than 12 months)

Current

Interest accrued on fixed deposits

Unbilled Revenue

	31 March 2018	31 March 2017	1 April 2016
Interest accrued on fixed deposits	1.32	0.64	-
Fixed deposits with banks (maturity of more than 12 months)	13.23	9.40	-
	14.54	10.04	-
Interest accrued on fixed deposits	5.42	5.53	-
Unbilled Revenue	931.63	815.63	-
	937.05	821.16	-
	951.59	831.20	-

Note 9: Deferred tax assets (net)

Deferred tax assets/(liabilities)

	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets/(liabilities)	367.16	650.57	-
	367.16	650.57	-

As at	Provision for bad and doubtful debts	Depreciation on fixed assets	Provision for leave encashment and gratuity	Unabsorbed business losses / unabsorbed depreciation*	Other Intangible Assets	Total
1 April 2016	-	-	-	-	-	-
Charge/(Credit):						
Acquired through business combination	36.32	8.20	49.79	-	(462.59)	(368.28)
Profit and loss	18.65	168.57	0.89	387.12	462.59	1,037.82
Other comprehensive income	-	-	(18.97)	-	-	(18.97)
31 March 2017	54.97	176.78	31.70	387.12	-	650.57
Charge/(Credit):						
Profit and loss	(3.42)	(665.52)	(11.08)	403.28	-	(276.73)
Other comprehensive income	-	-	(6.67)	-	-	(6.67)
31 March 2018	51.55	(488.74)	13.96	790.40	-	367.16

Reconciliation of deferred tax (net)

	31 March 2018	31 March 2017	1 April 2016
Opening balance	650.57	-	-
Acquired through business combination	-	(368.28)	-
Tax credit/ (expense) during the year recognized in statement of profit and loss	(276.73)	1,037.82	-
Tax expense during the year recognised in OCI	(6.67)	(18.97)	-
Closing balance	367.16	650.57	-

* As at the reporting date, the management of the Company is reasonably certain that sufficient future taxable income will be available against which the deferred tax asset will be realised on the unabsorbed business losses and unabsorbed depreciation.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 10: Income tax asset (net)

Advance income tax (net of provision for taxation)

31 March 2018	31 March 2017	1 April 2016
1,658.95	683.42	-
1,658.95	683.42	-

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

Deferred tax (net)

31 March 2018	31 March 2017
-	69.60
(74.54)	-
276.73	(1,037.82)
202.19	(968.22)

Income tax expense reported in the statement of profit or loss

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 2018	31 March 2017
(6.67)	(18.97)
(6.67)	(18.97)

Note 11: Trade receivables

(Unsecured considered good unless otherwise stated)

Trade receivables from related parties (Refer Note 35)

Trade receivables- others

Doubtful

Less:

Allowance for doubtful debts

31 March 2018	31 March 2017	1 April 2016
36.59	10.37	-
36.59	10.37	-
	(498.97)	-
1,545.62	1,001.37	-
177.03	166.26	-
1,722.65	1,167.63	-
(177.03)	(166.26)	-
1,582.21	1,011.74	-

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) The Company's exposure to credit risk, currency risk and loss allowance on trade receivables are disclosed in Note 33.

Note 12: Cash and cash equivalents

Balances with banks

- On current accounts

Cash on hand

31 March 2018	31 March 2017	1 April 2016
131.42	105.96	-
0.02	0.04	-
131.44	106.00	-

Note 13: Bank balances other than cash and cash equivalents

Deposits with remaining maturity of less than 12 months*

Deposits with remaining maturity of more than 12 months**

135.03	126.46	-
13.23	9.40	-
148.25	135.86	-
(13.23)	(9.40)	-
135.03	126.46	-
266.46	232.46	-

Less: Amounts disclosed under other non-current financial assets

*Fixed deposits of Rs. 135.03 lakhs as at 31 March 2018 (March 31, 2017: Rs. 126.46 lakhs) is under lien with Canara Bank for the overdraft facilities of the Company.

**Fixed deposits of Rs. 13.23 lakhs as at 31 March 2018 (March 31, 2017: Rs. 9.40 lakhs) is under lien with Canara Bank for the Guarantee issued to third parties on behalf of the Company.

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

Balances with banks

- On current accounts

Cash on hand

Less: Bank overdraft

31 March 2018	31 March 2017	1 April 2016
131.42	105.96	-
0.02	0.04	-
131.44	106.00	-
(605.85)	(109.91)	-
(474.41)	(3.92)	-

Note 14: Other current assets

(Unsecured considered good unless otherwise stated)

Prepaid expenses

Advances to employees

Advances recoverable in cash or in kind

31 March 2018	31 March 2017	1 April 2016
40.22	24.05	-
11.39	9.77	-
24.90	34.40	-
76.51	68.22	-



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 15: Equity share capital

Equity share capital

(i) Authorised equity share capital

18,673,680 (31 March 2017: 3,500,000, 1 April 2016: NIL) equity shares of Rs. 10 each

31 March 2018	31 March 2017	1 April 2016
1,867.37	350.00	-

(ii) Issued, subscribed and fully paid-up shares

4,735,000 (31 March 2017: 3,410,000, 1 April 2016: NIL) equity shares of Rs. 10 each

473.50	341.00	-
473.50	341.00	-

Total issued, subscribed and fully paid-up shares

(iii) Terms/ rights attached to equity shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

Name of the shareholders	31 March 2018		31 March 2017		1 April 2016	
	Numbers	% holding in the class	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid						
TeamLease Services Limited (including its nominee), Holding Company	47,35,000	100%	34,10,000	100%	-	-

(v) Allotment of shares

(a) On December 30, 2016, the Company allotted to TeamLease Services Limited on rights basis 3,400,000 equity shares @ Rs. 50 per share (Face Value of Rs. 10 each) and 686 Series "A" Compulsorily Convertible Debentures ("CCD") of Rs. 10 lakhs each bearing interest @9% payable annually. On March 30, 2017, the Company further allotted on rights basis 111 Series "B" CCD of Rs. 10 lakhs each bearing interest @9% payable annually. The debentures are convertible into equity shares on or before 10 years from the date of allotment.

(b) On October 31, 2017, the Company allotted to TeamLease Services Limited 285 Series "C" CCD of Rs. 10 lakhs each bearing interest @9% payable annually. On March 31, 2018, the Company further allotted 1,325,000 equity shares @ Rs. 50 per share (Face Value of Rs. 10 each) and 78 Series "D" CCD of Rs. 10 lakhs each bearing interest @9% payable annually. The debentures are convertible into equity shares on or before 10 years from the date of allotment.

(vi) The shareholders of the Company on December 30, 2016 approved for increase of the Authorized Share Capital from Rs. 10.00 lakhs to Rs.350.00 lakhs comprising of 3,500,000 equity shares of Rs. 10 each by way of additional 3,400,000 equity shares of Rs. 10 each.

Further, on December 21, 2017, the Authorized Share Capital of the Company increased from Rs.350.00 lakhs comprising of 3,500,000 equity shares of Rs. 10 each to Rs. 1867.37 lakhs divided into 18,673,680 equity shares of Rs.10 each pursuant to the Order of NCLT, Mumbai and Chennai on the Scheme of Amalgamation of the ASAP and Nichepro with the Company.

For the movement of Equity Share capital, also refer Statement of Changes in Equity

Note 16: Other equity

	31 March 2018	31 March 2017	1 April 2016
Securities premium account	1,890.00	1,360.00	-
Retained earnings	(259.11)	814.72	-
	1,630.89	2,174.72	-
Securities premium			
Opening balance	1,360.00	-	-
Premium received during the year	530.00	1,360.00	-
Closing balance	1,890.00	1,360.00	-
Surplus in the statement of profit and loss			
Opening balance	814.72	-	-
Net Profit/(Loss) for the year	(1,090.06)	776.30	-
Other comprehensive income recognised directly in retained earnings	16.23	38.41	-
- Remeasurment of post employment benefit obligation, net of tax	-	-	-
Less: Appropriation during the year	-	-	-
Closing balance	(259.11)	814.72	-

For the movement of other equity, also refer Statement of Changes in Equity

Nature and purpose of other reserves

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

Note 17: Borrowings

	Effective interest rate	Maturity	31 March 2018	31 March 2017	1 April 2016
Non-Current Borrowings					
Unsecured - From Holding Company					
686 Series A Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	6,860.00	6,860.00	-
111 Series B Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	1,110.00	1,110.00	-
285 Series C Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	2,850.00	-	-
78 Series D Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	780.00	-	-
			11,600.00	7,970.00	-
Current Borrowings					
Secured					
Bill discounting facility from Bank	9% to 10%	-	-	286.38	-
Bank overdraft	7% to 8%	On demand	605.85	109.91	-
Unsecured					
Loan from related party - TSL	9.00%	On demand	2,377.33	1,066.67	-
			2,983.18	1,462.96	-

During the year ended 31 March, 2018, the Company allotted to TeamLease Services Limited(TSL), 285 Series "C" CCD and 78 Series "D" Compulsory Convertible Debentures ("CCD") of Rs. 10 lakhs each bearing interest @9% payable annually. During the previous year ended 31 March, 2017, the Company allotted to TSL 686 Series "A" CCD and 111 Series "B" CCD of Rs. 10 lakhs each bearing interest @9% payable annually. These debentures are convertible into equity shares on or before 10 years from the date of allotment. On maturity date, the CCDs will be converted into appropriate number of equity shares of the Company at the fair value of the equity share at the conversion date based on a fair valuation by a chartered accountant/Merchant banker.

Credit availed on bills discounted from banks are secured primarily by way of pari passu first charge on the current assets of the Company. Overdraft facility from banks are secured primarily by way of exclusive charge on the current assets of the Company.

Note 18: Provisions

Non-current

Employee benefits - Gratuity (Refer note 31)
Employee benefits - Leave Encashment

	31 March 2018	31 March 2017	1 April 2016
	32.65	41.77	-
	6.49	38.38	-
	39.13	80.15	-

Current

Employee benefits - Gratuity (Refer note 31)
Employee benefits - Leave Encashment

	31 March 2018	31 March 2017	1 April 2016
	3.81	4.62	-
	4.98	11.11	-
	8.80	15.74	-

Note 19: Trade payables

Current

Total outstanding dues of micro enterprises and small enterprises (Refer Note 39)
Total outstanding dues of creditors other than micro enterprises and small enterprises

	31 March 2018	31 March 2017	1 April 2016
	-	-	-
	84.66	126.47	-
	84.66	126.47	-

Note 20: Other financial liabilities

Current

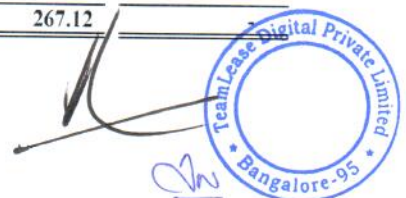
Employees Benefits Payable
Consideration payable for acquisition of business
Creditors for capital goods
Creditors for employees
Interest accrued and due on CCD
Book overdraft

	31 March 2018	31 March 2017	1 April 2016
	589.57	397.08	-
	1,134.84	50.00	-
	-	-	-
	-	-	-
	-	140.06	-
	-	-	-
	1,724.41	587.13	-

Note 21: Other current liabilities

Statutory dues payable
Advance from Customers
Other Liabilities

	31 March 2018	31 March 2017	1 April 2016
	328.21	247.91	-
	0.27	19.21	-
	-	-	-
	328.48	267.12	-



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

Note 22: Revenue from operations

(Net of taxes)

Staffing Services

Total revenue

31 March 2018	31 March 2017
9,866.76	2,196.82
9,866.76	2,196.82

Note 23: Other income

Interest income on:

Loans to related parties

Deposits with banks

Liabilities no longer required written back

Miscellaneous income

Total other income

31 March 2018	31 March 2017
9.53	38.29
10.16	2.57
19.68	40.87
25.46	7.64
0.37	-
45.52	48.51

Note 24: Employee benefits expense

Salaries, wages and bonus

Gratuity expense (Refer note 31)

Leave Encashment

Contribution to provident fund and other funds

Staff welfare expenses

Total employee benefit expense

31 March 2018	31 March 2017
7,679.69	1,657.69
29.95	(7.74)
(25.82)	11.02
340.34	81.58
31.77	6.22
8,055.93	1,748.78

Note 25: Finance Cost

Interest on loans

Bank overdraft

NBFCs

Bill Discounting

TeamLease Services Limited, Holding Company

Interest on CCDs to TSL, Holding Company

Interest on statutory delays

36.60	1.07
-	1.77
6.12	5.93
134.50	65.93
822.01	155.62
6.43	0.06
1,005.67	230.38

Note 26: Depreciation and amortisation

Depreciation of property, plant & equipment

Amortization of other intangible assets

Amortization of Goodwill

31 March 2018	31 March 2017
32.21	7.81
312.68	78.10
747.36	186.84
1,092.25	272.75

Note 27: Other expenses

Rent

Rates & taxes

Electricity

Traveling and conveyance

Repairs and maintenance

-Leasehold premises

-Others

Printing and stationery

Communication costs

Legal and professional charges

Auditors' remuneration (Refer note below)

Insurance - Others

Advertisement and business promotion

Brokerage

Bank charges

Sundry balances written off

Bad Debts written off

Less: Related Provision for Doubtful Debts Written Back

Provision for bad and doubtful debts

Office expenses

Rebates & Discounts

Foreign exchange loss (Net)

31 March 2018	31 March 2017
191.96	32.93
10.97	10.15
9.03	0.93
70.44	17.60
-	-
20.90	5.78
3.38	0.90
25.43	9.09
161.11	38.18
14.00	5.59
1.79	-
6.75	0.90
0.19	-
4.97	0.44
15.49	0.52
71.50	-
-	-
71.50	56.42
10.77	3.10
22.47	1.64
3.47	1.17
1.67	1.17
646.29	185.34

Note: Payment to auditors

As auditor

Statutory audit fee

Tax audit fee

Certification

Reimbursement of expenses

31 March 2018	31 March 2017
6.50	3.23
1.00	0.54
6.21	1.81
0.29	0.02
14.00	5.59



Note 28: Tax Expense

Deferred tax :

Decrease/(Increase) in deferred tax
Tax expense/(income) for the year

31 March 2018	31 March 2017
276.73	(1,037.82)
276.73	(1,037.82)

OCI section

Deferred tax related to items recognised in OCI during the year :
Net loss/(gain) on remeasurements of defined benefit plans

Income tax charged to OCI

31 March 2018	31 March 2017
(6.67)	(18.97)
(6.67)	(18.97)

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) before tax and tax (income) / expenses charge is summarised below:

Profit/(Loss) before tax
Tax using the Company's domestic tax rate @29.12% (March 31, 2017: 33.063%)

Tax effect of:

Tax adjustments of earlier years
Disallowances
Deferred tax on account of other intangibles reversed
Tax adjustments on account of merger and rate differences

Income tax expense/(income)

31 March 2018	31 March 2017
(887.87)	(191.92)
(258.55)	(63.45)
(74.54)	-
0.70	-
-	(462.59)
534.58	(442.18)
202.19	(968.22)

Note 29: Earnings per share

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

Basic Earnings per share

Profit/(Loss) attributable to equity shareholders

Nominal value of each equity share

Weighted average number of equity shares outstanding during the year (Refer Note below)

Basic earnings per share (in Rs.)

31 March 2018	31 March 2017
(1,090.06)	776.30
10.00	10.00
34,13,630.14	11,64,243.54
(31.93)	66.68

Diluted Earnings per share

Profit/(Loss) attributable to equity shareholders (Rs.)

Add: Interest on CCDs (potential equity shares) (net of tax impacts)

Profit attributable to equity shareholders on dilution of potential equity shares

Nominal value of each equity share

Weighted average number of equity shares outstanding during the year (Refer Note below)

Diluted earnings per share (in Rs.) (subject to Anti-dilution test)

Dilutive / Anti-dilutive

Diluted earnings per share (in Rs.)

(1,090.06)	776.30
582.64	104.17
(507.42)	880.47
10.00	10.00
52,40,742.47	15,11,279.16
(9.68)	58.26
Anti-Dilutive	Dilutive
(31.93)	58.26

Computation of weighted average number of shares

Particulars

Number of equity shares outstanding at beginning of the year/period

Add: Weighted average number of equity shares issued during the year

- Issue of 10,000 number of equity shares issued on incorporation (04 July 2016)

- Right issue of 3,400,000 number of equity shares issued on 30 December 2016

- Right issue of 1,325,000 number of equity shares issued on 31 March 2018

Weighted average number of shares outstanding at the end of the year for computing basic earnings per share

Add: Weighted average number of shares to be issued on conversion of CCDs

- Issue of 686 CCDs of Rs. 10 lakhs each on December 30, 2016 (Conversion Rate - Rs. 50 per share)

- Issue of 111 CCDs of Rs. 10 lakhs each on March 30, 2017 (Conversion Rate - Rs. 50 per share)

- Issue of 285 CCDs of Rs. 10 lakhs each on November 30, 2017 (Conversion Rate - Rs. 50 per share)

- Issue of 78 CCDs of Rs. 10 lakhs each on March 31, 2018 (Conversion Rate - Rs. 50 per share)

Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share

(Value in numbers)	
31 March 2018	31 March 2017
34,10,000.00	-
-	10,000.00
-	11,54,243.54
3,630.14	-
34,13,630.14	11,64,243.54
13,72,000.00	3,45,819.18
2,22,000.00	1,216.44
2,32,684.93	-
427.40	-
52,40,742.47	15,11,279.16

Note 30: Earnings/Expenditure In Foreign Currency

(a) Earning in Foreign Currencies

Staffing Income

(b) Expenditure in Foreign Currencies

Per Diem Allowances

31 March 2018	31 March 2017
61.81	28.93
61.81	28.93
20.55	11.39
20.55	11.39



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

(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 service and salary at retirement.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds. If the plan assets underperform this yield, this will create a deficit. The Company maintains plan asset through insurance company.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Net defined benefit liability/ (assets)

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Present value of defined benefit obligation	39.23	49.06	-
Fair value of plan assets	2.77	2.67	-
Net liability	<u>36.46</u>	<u>46.39</u>	<u>-</u>

Net benefit cost recognised in statement of profit and loss

	<u>31 March 2018</u>
Current service cost	27.51
Past service cost	0.00
Interest cost on net defined benefit obligation	2.44
Net benefit expense	<u>29.95</u>

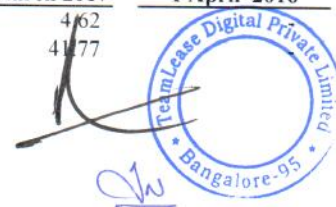
Remeasurement loss/(gains) in other comprehensive income

Particulars	<u>31 March 2018</u>
Due to change in demographic assumptions	-
Due to change in financial assumptions	0.20
Due to change in experience adjustments	(23.16)
(Return) on plan assets (excluding interest income)	0.07
Actuarial loss/(gain) recognised in OCI	<u>(22.89)</u>

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

Particulars	<u>31 March 2018</u>
Defined benefit obligation at beginning of the year	49.06
Current service cost	27.51
Past service cost	0.00
Interest cost on net defined benefit obligation	2.62
Benefits paid	(16.99)
Re-measurements	
Actuarial (gain) / loss arising from changes in financial assumptions	0.20
Actuarial (gain) / loss arising from changes in experience adjustments	(23.16)
Defined benefit obligation at end of the year	<u>39.23</u>

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Current	6.58	4.62	-
Non-current	32.65	41.77	-



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

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

	<u>31 March 2018</u>
Discount rate	6.81%
Salary escalation rate	8.0%
Attrition rate	44%
Retirement age	58
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 2018 is as shown below:

	<u>Discount rate</u> <u>31 March 2018</u>	<u>Salary escalation rate</u> <u>31 March 2018</u>	<u>Attrition rate</u> <u>31 March 2018</u>
1% increase	37.98	40.34	38.04
1% decrease	40.56	38.16	40.47

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 2018</u>
Year 1	6.58
Year 2	4.88
Year 3	6.63
Year 4	8.58
Year 5	8.61
Next 5 years	12.03

The Company expects to contribute Rs 33.90 lakhs in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years.



Note 32: Fair value measurements

Financial instruments by category and hierarchy

Particulars	31 March 2018		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans - security deposits	37.64	-	-
Loans to related party	910.10	-	-
Loans -Others	0.22	-	-
Trade receivables	1,582.21	-	-
Cash and cash equivalents	131.44	-	-
Bank balances other than cash and cash equivalents	135.03	-	-
Other financial assets	951.59	-	-
Total financial assets	3,748.22	-	-

Financial liabilities			
Loan from related party	2,377.33	-	-
Bank Overdraft	605.85	-	-
CCD	11,600.00	-	-
Trade payables	84.66	-	-
Other financial liabilities	1,724.41	-	-
Total financial liabilities	16,392.25	-	-

Particulars	31 March 2017		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans - security deposits	50.55	-	-
Loans to related party	-	-	-
Loans -Others	0.22	-	-
Trade receivables	1,011.74	-	-
Cash and cash equivalents	106.00	-	-
Bank balances other than cash and cash equivalents	126.46	-	-
Other financial assets	831.20	-	-
Total financial assets	2,126.16	-	-

Financial liabilities			
Loan from related party	1,066.67	-	-
Bills Discounting	286.38	-	-
Bank Overdraft	109.91	-	-
CCD	7,970.00	-	-
Trade payables	126.47	-	-
Other financial liabilities	587.13	-	-
Total financial liabilities	10,146.57	-	-

Particulars	1 April 2016		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans - security deposits	-	-	-
Loans to related party	-	-	-
Loans -Others	-	-	-
Trade receivables	-	-	-
Cash and cash equivalents	-	-	-
Bank balances other than cash and cash equivalents	-	-	-
Other financial assets	-	-	-
Total financial assets	-	-	-

Financial liabilities			
Borrowings	-	-	-
Trade payables	-	-	-
Other financial liabilities	-	-	-
Total financial liabilities	-	-	-

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.

The fair values of security deposits are determined based on discounted cash flow method calculated using discount rate that reflects the issuers borrowing rate for the respective financial asset/liability as at the end of the reporting period.

Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries and associates accounted under IndAS27, Separate Financial Statements which is scoped out under Ind AS 109.

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.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

(All amounts in Rs lakhs, unless otherwise stated)

Note 33: Financial risk management objectives and policies

- i) The Company's board of directors have the overall responsibility of the establishment and oversight of its risks management framework.
- ii) 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
- iii) The Company's activities exposes it to market risk, liquidity risk and credit risk
- iv) 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.

(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 currency risks.

(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 provision matrix.

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-Mar-18	31 March 2017	1 April 2016
Trade receivable	1,582.21	1,011.74	-
Loans to employees	11.39	9.77	-
Loans to subsidiaries	910.10	-	-
Security deposit	37.64	50.55	-
Other financial assets	951.59	831.20	-
Total	3,492.93	1,903.25	-

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

Particulars	31-Mar-18	31 March 2017	1 April 2016
Opening balance	166.26	-	-
Acquired through Merger	-	109.84	-
Amount provided/ (reversed) during the year	10.77	56.42	-
Closing provision	177.03	166.26	-

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 2018				
Bank Overdraft	2,983.18	-	-	2,983.18
Trade payables	84.66	-	-	84.66
Other financial liabilities	1,724.41	-	-	1,724.41
	4,792.25	-	-	4,792.25
As at 31 March 2017				
Bank Overdraft	1,462.96	-	-	1,462.96
Trade payables	126.47	-	-	126.47
Other financial liabilities	587.13	-	-	587.13
	2,176.57	-	-	2,176.57
As at 1 April 2016				
Bank Overdraft	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
	-	-	-	-

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.

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 borrowings from Holding Company in the form of CCD and working capital loan.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

(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 Services Limited('TSL') - holding company w.e.f July 04, 2016 i.e. since incorporation
b) Subsidiary companies	ASAP Info Systems Private Limited ('ASAP') (merged with TSSPL w.e.f. January 1, 2017) Nichepro Technologies Private Limited ('NPTPL') (merged with TSSPL w.e.f. January 1, 2017) Keystone Business Solutions Private Limited ('KBSPL') (w.e.f. February 01, 2017) Evolve Technologies and Services Private Limited ('ETSPL') (w.e.f. November 01, 2017)
c) Key management personnel and their relatives	Mr. Ashok Kumar Nedurumalli - Non-Executive Director (w.e.f July 04, 2016) Mr. Ravi Vishwanath - Non-Executive Director (w.e.f July 04, 2016) Mrs. Shilpa Kamlesh Avarsekar* (w.e.f November 08, 2016)

(ii) Transactions with related parties

Transactions with related parties	31 March 2018	31 March 2017
Issue of equity shares - Initial Subscription		
TSL	-	1.00
Rights Issue of equity shares		
TSL	662.50	1,700.00
Rights Issue of CCD		
TSL	3,630.00	7,970.00
Reimbursement of Expenses:		
TSL	1.08	19.85
KBSPL	-	2.05
Total	1.08	21.90
Interest expense on CCD		
TSL	822.01	155.62
Interest paid on CCD		
TSL	962.06	15.56
Loan Received		
TSL	6,515.10	3,887.00
Loan Repaid		
TSL	5,215.10	2,845.00
Interest expense on Loan received		
TSL	134.50	65.93
Interest Repaid		
TSL	134.50	41.26
Loans and advances given to		
Subsidiary companies		
ASAP*	-	1,355.00
NPTPL*	-	1,282.00
ETSPL	950.10	-
KBSPL	457.00	-
Total	1,407.10	2,637.00
Loan Repaid / Adjusted on account of merger during the year		
Subsidiary companies		
ASAP*	-	1,355.00
NPTPL*	-	1,282.00
ETSPL	40.00	-
KBSPL	457.00	-
Total	497.00	2,637.00
Interest income on loan		
Subsidiary companies		
ASAP*	-	14.72
NPTPL*	-	23.57
ETSPL	8.76	-
KBSPL	0.77	-
Total	9.53	38.29
Interest Received / Adjusted on account of merger on Loan given		
Subsidiary companies		
ASAP*	-	14.72
NPTPL*	-	23.57
ETSPL	8.76	-
KBSPL	0.77	-
Total	9.53	38.29



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

Consultancy/services charges paid

Consultancy charges

Service charges

Holding Company

TSL

Services provided

Holding Company

TSL

Rent Paid

Holding Company

TSL

	58.10	-
	77.87	10.27
	133.27	15.36

(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 2018	31 March 2017
Loans and advances receivable		
Subsidiary companies		
ETSPL	910.10	-
Total	910.10	-
Trade/other Receivables		
Holding Company		
TSL	36.59	10.37
Investments in equity shares		
Subsidiary companies		
KBSPL	820.00	820.00
ETSPL	4,590.15	-
Total	5,410.15	820.00
Borrowings - Loan		
Holding Company		
TSL	2,377.33	1,066.67
Borrowings - CCDs		
Holding Company		
TSL	11,600.00	7,970.00
Interest on CCDs Payable:		
TSL	-	140.06
Sundry Creditors for Expenses		
Holding Company		
TSL	12.21	13.02

* Transactions upto December 31, 2016

Note 36: Contingent liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
-Bills Discounting*	524.62	286.38	-
-Income Tax Notice AY 2014-15**	34.74	34.74	-
-Income Tax Notice AY 2007-08**	33.51	33.51	-

*During the year ended 31 March 2018, TDPL has taken bill discounting facility with the HDFC Bank against hypothecation of book debts.

**During the previous year ended 31 March 2017, TDPL received Income Tax notice u/s 143(3) for the above assessment years against which appeal has been filed by the Company. The matter is pending as on date.

Note 37: Commitments

(a) Capital commitments

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

	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment	-	-	-

(b) Other Commitments

Guarantees against fixed deposits

	31 March 2018	31 March 2017	1 April 2016
BWSSB Project	9.40	9.40	-
Bihar Project	3.83	-	-
Total	13.23	9.40	-

Note 38: 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 2018	31 March 2017
Lease rentals under cancellable and non-cancellable leases	191.96	32.93

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

	31 March 2018	31 March 2017
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

Note 39: The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018 and March 31, 2017.

Note 40: Scheme of Amalgamation**Background**

ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited ("Nichepro") were Companies incorporated under the Companies Act, 1956 (the Act).

Scheme of Amalgamation (the Scheme) pursuant to Section 230 to 232 of the Companies Act, 2013 (the Act) and other applicable provisions of the Act and Rules was approved for merger of ASAP and Nichepro (transferors) with the Company (transferee) by the Hon'ble NCLT of judicature at Mumbai vide its order dated 16.11.2017 and by the Hon'ble NCLT of judicature at Chennai, vide its Order dated 30.11.2017, respectively. The Scheme became effective on 22.12.2017, the appointed date of the Scheme being 01.01.2017.

Though the NCLT approval of the order was passed in the financial year ended 31 March 2018, the effect of the scheme in accounts has been given retrospectively and the previous year figures have been restated.

The method of accounting used to reflect the amalgamation

The Amalgamation was accounted for under the "Purchase" method as prescribed in the Accounting Standard 14 – "Accounting for Amalgamation" notified by the Central Government under section 211 (3C) of the Act, as amended from time to time. Accordingly, the assets, liabilities and reserves of Transferor companies as at December 31, 2016 have been taken over at their fair value, except to ensure uniformity of accounting policies. The details of the same are given below:

Particulars	ASAP	Nichepro	Total
Gross assets as at December 31, 2016	1,616.50	1,490.35	3,106.85
Less: loans and other liabilities at December 31, 2016	1,108.74	1,411.49	2,520.22
Net assets (A) as at December 31, 2016	507.76	78.87	586.63
Existing investment in ASAP Info Systems Private Limited as at December 31, 2016	5,701.51	-	5,701.51
Existing investment in Nichepro Technologies Private Limited as at December 31, 2016	-	3,209.30	3,209.30
Total investment made (B)	5,701.51	3,209.30	8,910.82
Intangibles recognised as per PPA (C) (Net of Deferred Tax)	592.31	281.75	874.06
Expenses on merger (D)	11.72	11.72	23.44
Goodwill (B+D-C-A)	4,613.16	2,860.41	7,473.57

The Company has been amortizing Goodwill on Merger over a period of 10 years from the appointed date in accordance with the Scheme of Amalgamation approved by the Hon'ble NCLT of judicature at Mumbai and Hon'ble NCLT of judicature at Chennai.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
 Notes to the Standalone financial statements for the year ended 31 March 2018
 (All amounts in Rs. lakhs, unless otherwise stated)

Note 41: First time adoption

A. First time adoption

For period ended March 31, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principle in India (Indian GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements for the year ended March 31, 2017.

Exemptions and exceptions availed

Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the impairment of financial assets based on expected credit loss model where the previous GAAP did not require estimate.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Equity reconciliations	Note	31 March 2017
Total Equity (Shareholder's fund) as per previous GAAP		2,517.77
Ind AS adjustments		
Expenses related to acquisition	a	(2.05)
Total adjustments		(2.05)
Total equity as per Ind AS		2,515.72
(ii) Reconciliation of total comprehensive income	Note	31 March 2017
Profit after tax as per previous GAAP		816.77
Ind AS adjustments		
Expenses related to acquisition	a	(2.05)
Remeasurements of post-employment benefit obligations	b	16.23
Total adjustments		14.18
Profit after tax as per Ind AS		830.94
Other comprehensive income	c	(16.23)
Total comprehensive income as per Ind AS		814.72

a: Expenses related to acquisition

Under previous GAAP, expenses related to acquisition were added to the cost of investments. The same has been charged to the Statement of Profit and Loss as per IndAS 103.

b: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurement gains and losses on post employment benefit plan are recognised in other comprehensive income as compared to statement of profit or loss. Under the previous GAAP, interest expense/income on the net defined benefit liability/asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the previous GAAP.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)

Notes to the Standalone financial statements for the year ended 31 March 2018

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

c: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' comprise remeasurements of defined benefit plans. Under previous GAAP, Company has not presented other comprehensive income separately.

C Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

D Previous year figures have been regrouped

The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current year's classification.

For MANIAN & RAO

ICAI Firm Registration Number : 001983S

Chartered Accountants




Paresh Daga

Partner

Membership Number: 211468

Place: Bangalore

Date: May 15, 2018

For and on behalf of the board of directors



Ashok Kumar Nedurumalli

Director

DIN: 00151814

Place: Bangalore

Date: May 15, 2018




N. Ravi Vishwanath

Director

DIN: 07332234

INDEPENDENT AUDITORS' REPORT

To the Members of IIJT EDUCATION PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **IIJT EDUCATION PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other comprehensive income), Statement of changes in equity and Cash Flow Statement for the year ended on that date annexed thereto, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the profit (including other comprehensive income) of the Company for the period ended on that date
- (c) its Cash flows for the year ended on that date and
- (d) the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements


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 Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

1. 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 appears from our examination of those books.
 - c) In our opinion, the Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts and returns.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors as on 31 March, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2018, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors), 2014, in our opinion and according to the information and explanations given to us, to the best of our knowledge :
- i. The Company does not have any pending litigations which would impact its financial position other than those disclosed in Note 28 forming part of the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives 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 Narayanan, Patil and Ramesh
Chartered Accountants
Firm Reg. No. 002395S




L R Narayanan
Partner

Membership No: 200/25588

Place: Bangalore
Date: May 15, 2018

ANNEXURE A TO AUDITORS' REPORT

Annexure A referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements** of the Auditors' Report to the members of **M/s. IIJT EDUCATION PRIVATE LIMITED** on the Ind AS financial statements for the period ended 31st March 2018.

According to the information and explanation given to us during the course of our audit, we report that:

- i. The company does not own any fixed assets and hence the reporting requirement under this clause is not applicable.
- ii. The company is a service oriented company and does not have any stock in trade and hence the reporting requirement under this clause is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013
- iv. In our opinion and according to the information and explanation given to us, the company does not have any loans, investments, guarantees and securities under the provisions of section 185 and 186 of the companies Act 2013.
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits as per the directive issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph (v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us the Central Government has not specified the maintenance of cost records under sub-section (I) of section 148 of the Companies Act, for the products/ services of the company.
- vii. (a) The company is generally regular in depositing undisputed statutory dues including income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty, value added 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 become payable

(c) According to information and explanations given to us, the company does not have any outstanding dues of income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty, value added tax which have not been deposited on account of any dispute except as below:

No.	Statute	Amount	Period to which it relates	Forum
1	Income tax Act, 1961	9,60,076/-	Assessment Year 2013-14	Commissioner of Income tax (Appeals)
2	Kolkata Municipal Corporation, 1880 (Property tax)	34,16,100	October 01, 2014 to March 31, 2016	High Court of Calcutta

- viii. Based on our audit and according to the information and explanations given to us, the company does not have any outstanding dues to a financial institution or bank or debenture holders at any point of time during the year.
- ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and any term loan during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the company has not paid any managerial remuneration during the year.
- xii. The provisions of Section 197 read with Schedule V of the Act are not applicable to private limited companies and accordingly the reporting requirement under this clause is not applicable.
- xiii. Based on our audit and according to the information and explanations given to us and as represented by the management, all the transactions with the related parties are in compliance with sections 177 and 188 of the companies Act 2013, and the same have been disclosed in the in the notes forming part of Ind AS financial statements under Note-27 as required by applicable Indian Accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly para (xiv) is not applicable.

- xv. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanations given by the management, the company has not entered into non-cash transactions with directors or persons connected with them.
- xvi. Based on our audit and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Narayanan, Patil and Ramesh

Chartered Accountants

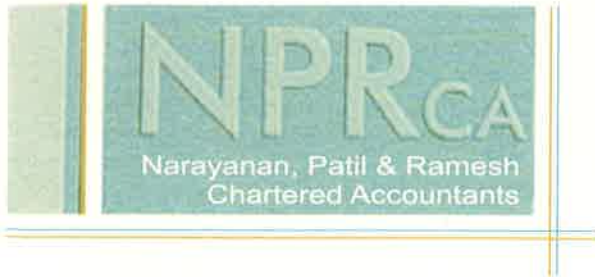
FRN: 002395S


L. R. Narayanan
Partner

Membership No.200/25588



Place: Bangalore
Date: May 15, 2018



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 **M/s IIJT Education Private Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the 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 ('ICAI'). 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 Companies Act, 2013.

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

Place: Bangalore
Date: May 15, 2018

For Narayanan, Patil and Ramesh
Chartered Accountants

FRN: 0023955



L. R. Narayanan
Partner

Membership No. 200/25588



IJT Education Private Limited
Standalone Balance Sheet as at 31 March 2018
(All amounts in Rs. in lakhs unless otherwise stated)

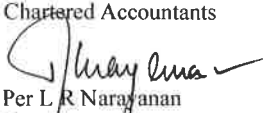
	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Income tax assets (Net)	4	32.21	30.04	27.49
Other non-current assets	5	-	0.11	5.61
Total non-current assets		32.21	30.15	33.10
Current assets				
Financial Assets				
Trade receivables	6	5.96	0.20	0.20
Cash and cash equivalents	7	5.07	3.75	37.80
Bank balances other than cash and cash equivalents	8	-	-	1.00
Loans	9	19.05	19.05	-
Other financial assets	10	-	-	0.40
Other current assets	11	6.49	6.81	5.93
Asset classified as held for sale		221.73	221.73	221.73
Total current assets		258.30	251.54	267.06
Total assets		290.51	281.69	300.16
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	12	800.00	800.00	800.00
Other equity	13	(596.85)	(631.87)	(657.99)
Total equity		203.15	168.13	142.01
LIABILITIES				
Current liabilities:				
Financial liabilities				
Borrowings	14	56.00	81.30	127.61
Trade payables	15	9.23	9.58	8.31
Other financial liabilities	16	-	0.48	0.18
Provisions	17	0.82	0.74	0.33
Other current liabilities	18	0.31	0.46	0.72
Liabilities directly associated with the assets classified as held for sale		21.00	21.00	21.00
Total current liabilities		87.36	113.56	158.15
Total liabilities		87.36	113.56	158.15
Total equity and liabilities		290.51	281.69	300.16

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.

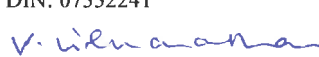
For Narayanan Patil and Ramesh
ICAI Firm Registration Number : 002395S
Chartered Accountants

Per L R Narayanan
Partner
Membership Number: 200/25588



For and on behalf of the Board of Directors


Ashok Kumar Nedurumalli
Director
DIN: 00151814


Rituparna Chakraborty
Director
DIN: 07332241


Vishwanathan Venkataraman
Company Secretary
CSN: 7078

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018

IJT Education Private Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2018

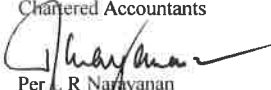
(All amounts in Rs. in lakhs unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Other income	19	53.95	42.40
Total income		53.95	42.40
Expenses			
Employee benefits expense	20	4.36	4.71
Other expenses	21	14.57	11.57
Total expenses		18.93	16.28
Profit before tax		35.02	26.12
Tax expense:			
- Current tax		-	-
Income tax expense		-	-
Profit for the year		35.02	26.12
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) of defined benefits obligation		-	-
Income tax effect		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		35.02	26.12
Earnings per equity share of Rs. 10 each:			
Basic and diluted (Rs.)	22	0.44	0.33
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 Narayanan Patil and Ramesh
ICAI Firm Registration Number : 002395S
Chartered Accountants



Per R. Narayanan
Partner
Membership Number: 200/25588



For and on behalf of the Board of Directors


Ashok Kumar Nedurumalli
Director
DIN: 00151814


Rituparna Chakraborty
Director
DIN: 07332241


Vishwanathan Venkataraman
Company Secretary
CSN: 7078

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018

IJIT Education Private Limited

Standalone Statement of Cash Flows for the year ended 31 March 2018

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

	As at 31 March 2018	As at 31 March 2017
Operating activities		
Profit before tax	35.02	26.12
Adjustments to reconcile profit before tax to net cash flows:		
Finance income	-	(0.03)
Bad debts / advances written off and provided for	-	0.03
Working capital adjustments		
(Increase)/decrease in trade receivables	(5.76)	-
(Increase)/decrease in other non current assets	0.11	5.50
(Increase)/decrease in loans	-	(19.05)
(Increase)/decrease in other current assets	0.32	(0.88)
Increase/(decrease) in trade payables	(0.34)	1.27
Increase/(decrease) in other financial liabilities	(0.48)	0.30
Increase/(decrease) in other current liabilities	(0.15)	(0.26)
Increase/(decrease) in provisions	0.08	0.40
	28.80	13.41
Income tax paid (including TDS) (net)	(2.17)	(2.55)
Net cash flows from / (used in) operating activities	26.62	10.86
Investing activities		
Proceeds from maturity of fixed deposits	-	1.00
Interest received	-	0.39
Net cash flows from / (used in) investing activities	-	1.39
Financing activities		
Repayments of Loan (Net)	(25.30)	(46.30)
Net cash flows from / (used in) financing activities	(25.30)	(46.30)
Net increase / (decrease) in cash and cash equivalents	1.32	(34.05)
Cash and cash equivalents at the beginning of the year	3.75	37.80
Cash and cash equivalents at the end of the year	5.07	3.75

Summary of significant accounting policies


3

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

For Narayanan Patil and Ramesh

ICAI Firm Registration Number : 002395S

Chartered Accountants


Per L. R. Narayanan
Partner

Membership Number: 200/25588



For and on behalf of the Board of Directors


Ashok Kumar Nedurumalli
Director
DIN: 00151814

Rituparna Chakraborty
Director
DIN: 07332241

Vishwanathan Venkataraman
Company Secretary
CSN: 7078Place: Bangalore
Date: May 15, 2018Place: Bangalore
Date: May 15, 2018

IJIT Education Private Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2018
(All amounts in Rs. in lakhs unless otherwise stated)

a. Equity share capital:**Issued, subscribed and fully paid share capital**

	Numbers	Amount
Equity shares of Rs. 10 each:		
At 1 April 2016	8,000,000	800.00
Additions during the year	-	-
At 31 March 2017	8,000,000	800.00
Additions during the year	-	-
At 31 March 2018	8,000,000	800.00

* Also refer note 12

b. Other equity

Particulars	Attributable to equity holders of the Company		Total other equity
	Reserves and surplus		Total
	Securities premium	Retained earnings	
For the year ended 31 March 2017			
As at 1 April 2016	2,248.14	(2,906.12)	(657.99)
Profit for the year	-	26.12	26.12
Other comprehensive income	-	-	-
Total comprehensive income	2,248.14	(2,880.00)	(631.87)
As at 31 March 2017	2,248.14	(2,880.00)	(631.87)
For the year ended 31 March 2018			
As at 1 April 2017	2,248.14	(2,880.00)	(631.87)
Profit for the year	-	35.02	35.02
Other comprehensive income	-	-	-
Total comprehensive income	2,248.14	(2,844.99)	(596.85)
less : Distribution	-	-	-
As at 31 March 2018	2,248.14	(2,844.99)	(596.85)

* Also refer Note 13


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 Narayanan Patil and Ramesh
ICAI Firm Registration Number : 002395S
Chartered Accountants


Per L R Narayanan
Partner
Membership Number: 200/25588



For and on behalf of the Board of Directors



Ashok Kumar Nedurumalli
Director
DIN: 00151814



Rituparna Chakraborty
Director
DIN: 07332241



Vishwanathan Venkataraman
Company Secretary
CSN: 7078

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018

IIJT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

1 Corporate information

IIJT Education Private Limited ("the Company") was incorporated to be in the business of imparting specialised vocation courses/training in three different formats viz. Retail Learning Solution, Corporate training and Institutional training Solutions. The Company is wholly owned subsidiary of TeamLease Services Limited ("TeamLease"). As at April 1, 2010 the Retail Learning Solution business of the Company was de-merged with TeamLease pursuant to an order of the Mumbai High court. With effect from April 1, 2012, the company divested the Corporate and Institutional Training Division (C&IT) Business to TeamLease.

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 15, 2018.

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, and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements of the Company for all the periods upto and including the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Rules, 2016 (as amended) and other relevant provisions of the Act. These standalone financial statements for the year ended March 31 2018 are the first the Company has prepared in accordance with Ind AS. Refer note 33 for information on how the Company adopted IND AS.

(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 ;

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.

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 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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

Other Income

Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rental income is accounted on accrual basis as per the terms of the agreement. Rent equalization is considered only if the agreement is non-cancellable for more than one year and the incremental rent is fixed over the term of the agreement.

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 re-assessed 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 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.

For arrangements entered into prior to 1st April 2016, the company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Capital work in progress and 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	6

3.7 Intangible assets

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

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.

A summary of the policies applied to the Company's intangible assets is, as follows:

Asset	Life in Years
Computer software	3 years
Software others	3 years



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

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 consolidated 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 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.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost 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.

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 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.

(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 using the 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 P & L. 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. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and 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 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 current liabilities in the balance sheet.



3.11 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.

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 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 end are treated as other long term employee benefits.

3.12 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.

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.

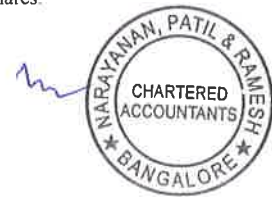
A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

3.13 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.

3.14 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 holders of the parent (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.



3.15 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.

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. Refer note 23 for further disclosures.

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.

3.16 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.

3.17 Standards Issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is in the process of determining the impact on the financial statements.

b) Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since the Company is not having any investment in subsidiary, a joint venture or an associate, the amendment in Ind AS 112 will not have any impact on the Company.






c) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

d) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective. Since the Company does not have any such transaction, this amendment does not have any effect on the financial statements of the Company.

e) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the 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 the 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 as 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 April 1, 2018. This amendment does not have any material effect on the financial statements of the Company.

3.18 Changes in accounting policies and disclosures

The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3.19 Rounding of Amounts

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

IJTT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. in lakhs unless otherwise stated)

Note 4: Non-current tax asset

	31 March 2018	31 March 2017	1 April 2016
Advance income tax (net of provision for taxation)	32.21	30.04	27.49
	32.21	30.04	27.49

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

Statement of profit and loss:**Profit or loss section**

	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge	-	-
Deferred tax (net)	-	-
Income tax expense reported in the statement of profit or loss	-	-

Income tax recognised in other comprehensive income

	31 March 2018	31 March 2017
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	-	-

Note 5: Other non-current assets

(Unsecured considered good unless otherwise stated)

Balances with statutory/ government authorities

	31 March 2018	31 March 2017	1 April 2016
	-	0.11	5.61
	-	0.11	5.61

Note 6: Trade receivables

(Unsecured considered good unless otherwise stated)

Trade receivables from related parties (Refer Note 27)

	31 March 2018	31 March 2017	1 April 2016
	-	-	-
	-	-	-

Unsecured considered good, unless otherwise stated

	31 March 2018	31 March 2017	1 April 2016
Trade receivables- others	5.96	0.20	0.20
Doubtful	1.88	1.68	1.68
	7.84	1.88	1.88

Less:

	31 March 2018	31 March 2017	1 April 2016
Allowance for doubtful debts	(1.88)	(1.68)	(1.68)
	5.96	0.20	0.20

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.

Note 7: Cash and cash equivalents

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- In current accounts	5.07	3.75	37.80
Cash on hand	-	-	-
	5.07	3.75	37.80

Note 8: Bank balances other than cash and cash equivalents

Deposits with remaining maturity of less than 12 months

Deposits with remaining maturity of more than 12 months

	31 March 2018	31 March 2017	1 April 2016
	-	-	1.00
	-	-	-
	-	-	1.00

Less : Amounts disclosed under other financial assets

	31 March 2018	31 March 2017	1 April 2016
	-	-	-
	-	-	1.00
	5.07	3.75	38.80

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

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- In current accounts	5.07	3.75	37.80
	5.07	3.75	37.80
Less: Bank overdraft	-	-	-
	5.07	3.75	37.80

Note 9: Loans**Current**

Other Deposits

	31 March 2018	31 March 2017	1 April 2016
	19.05	19.05	-
	19.05	19.05	-

Note 10: Other financial assets**Current**

Interest accrued on fixed deposits

	31 March 2018	31 March 2017	1 April 2016
	-	-	0.40
	-	-	0.40

Note 11: Other current assets

(Unsecured considered good unless otherwise stated)

Prepaid expenses

Balances with statutory/ government authorities

	31 March 2018	31 March 2017	1 April 2016
	0.16	0.05	0.05
	6.33	6.76	5.88
	6.49	6.81	5.93

hik

Sh



IJTT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 12: Equity share capital**Equity share capital****(i) Authorised equity share capital**

10,000,000 (31 March 2017: 10,000,000, 1 April 2016: 10,000,000) equity shares of Rs. 10 each

	31 March 2018	31 March 2017	1 April 2016
10,000,000 (31 March 2017: 10,000,000, 1 April 2016: 10,000,000) equity shares of Rs. 10 each	1,000.00	1,000.00	1,000.00

(ii) Issued, subscribed and fully paid-up shares

8,000,000 (31 March 2017: 8,000,000, 1 April 2016: 8,000,000) equity shares of Rs. 10 each

	31 March 2018	31 March 2017	1 April 2016
8,000,000 (31 March 2017: 8,000,000, 1 April 2016: 8,000,000) equity shares of Rs. 10 each	800.00	800.00	800.00

Total issued, subscribed and fully paid-up shares

	31 March 2018	31 March 2017	1 April 2016
Total issued, subscribed and fully paid-up shares	800.00	800.00	800.00

(iv) Terms/ rights attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the shareholders	31 March 2018		31 March 2017		1 April 2016	
	Numbers	% holding in the class	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid TeamLease Services Limited and its Nominee	8,000,000	100.00	8,000,000	100.00	8,000,000	100.00

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL**Note 13: Other equity**

	31 March 2018	31 March 2017	1 April 2016
Securities premium	2,248.14	2,248.14	2,248.14
Retained earnings	(2,844.99)	(2,880.00)	(2,906.12)
	(596.85)	(631.87)	(657.99)
Securities premium			
Opening balance	2,248.14	2,248.14	2,248.14
Increase during the year	-	-	-
Closing balance	2,248.14	2,248.14	2,248.14
Retained earnings			
Opening balance	(2,881.00)	(2,906.12)	(2,957.57)
Net Profit/(Loss) for the year	35.02	26.12	51.44
Other comprehensive income recognised directly in retained earnings	-	-	-
- Remeasurement of post employment benefit obligation, net of tax	-	-	-
Less : Appropriation during the year	-	-	-
Closing balance	(2,845.99)	(2,880.00)	(2,906.12)

* For the movement of other equity, also refer Statement of Changes in Equity

Nature and purpose of other reserves**(i) Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.




IIJT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. in lakhs unless otherwise stated)

Note 14: Borrowings

	Effective interest rate	Maturity	31 March 2018	31 March 2017	1 April 2016
Current Borrowings					
Unsecured					
Loan from Holding Company	NIL	On Demand	56.00	81.30	127.61
			56.00	81.30	127.61

Note 15: Trade payables**Current**

	31 March 2018	31 March 2017	1 April 2016
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9.23	9.58	8.31
	9.23	9.58	8.31

Note 16: Other financial liabilities**Current**

	31 March 2018	31 March 2017	1 April 2016
Employees Benefits Payable	-	0.48	0.18
	-	0.48	0.18

Note 17: Provisions**Current**

	31 March 2018	31 March 2017	1 April 2016
Employee benefits - Gratuity	0.49	0.40	-
Employee benefits - Leave Encashment	0.33	0.33	0.33
	0.82	0.74	0.33

Note 18: Other current liabilities

	31 March 2018	31 March 2017	1 April 2016
Statutory dues payable	0.31	0.46	0.72
	0.31	0.46	0.72

Sh

Hi



IJIT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 19: Other income

	31 March 2018	31 March 2017
Interest income on:		
Deposits with banks	-	0.03
	-	0.03
Rental Income	48.30	42.37
Miscellaneous Income	5.65	-
Total other income	53.95	42.40

Note 20: Employee benefits expense

	31 March 2018	31 March 2017
Salaries, wages and bonus	4.01	4.01
Gratuity expense	0.08	0.40
Contribution to provident fund and other funds	0.27	0.29
Total employee benefit expense	4.36	4.71

Note 21: Other expenses

	31 March 2018	31 March 2017
Rates & taxes	1.13	1.13
Legal and professional charges	6.40	6.26
Auditors' remuneration (Refer note below)	1.06	4.07
Provision for bad and doubtful debts	0.20	-
Insurance - Others	0.13	0.08
Office Expenses	5.65	-
Bank charges	0.00	0.00
Sundry balances written off	-	0.03
	14.57	11.57

Note: Payment to auditors**As auditor**

	31 March 2018	31 March 2017
Statutory audit fee	1.00	4.00
Reimbursement of expenses	0.06	0.07
	1.06	4.07

OCI section

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

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

Income tax charged to OCI

	31 March 2018	31 March 2017
	-	-
	-	-

Reconciliation of effective tax rate:

	31 March 2018	31 March 2017
Profit before tax	35.02	26.12
Tax using the Company's domestic tax rate @25.75% (March 31, 2017: 29.87%)	9.02	7.80
Tax effect of:		
Non-deductible tax expense	-	-
Others (Brought forward losses)	(9.02)	(7.80)
Income tax expense/(income)	-	-

Note 22: Earnings per share

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

	31 March 2018	31 March 2017
Profit/(Loss) attributable to equity shareholders (Rs. in lakhs)	35.02	26.12
Nominal value of each equity share (Rs.)	10.00	10.00
Weighted average number of equity shares outstanding during the year	8,000,000	8,000,000
EPS - basic and diluted (Rs.)	0.44	0.33



IJTT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. in lakhs unless otherwise stated)

Note 23: Fair value measurements**Financial instruments by category and hierarchy**

Particulars	31 March 2018		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Trade receivables	5.96	-	-
Cash and cash equivalents	5.07	-	-
Loans	19.05	-	-
Total financial assets	30.08	-	-

Financial liabilities			
Borrowings	56.00	-	-
Trade payables	9.23	-	-
Total financial liabilities	65.23	-	-

Particulars	31 March 2017		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Trade receivables	0.20	-	-
Cash and cash equivalents	3.75	-	-
Loans	19.05	-	-
Total financial assets	23.00	-	-

Financial liabilities			
Borrowings	81.30	-	-
Trade payables	9.58	-	-
Other financial liabilities	0.48	-	-
Total financial liabilities	91.36	-	-

Particulars	1 April 2016		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Trade receivables	0.20	-	-
Cash and cash equivalents	37.80	-	-
Bank balances other than cash and cash equivalents	1.00	-	-
Other financial assets	0.40	-	-
Total financial assets	39.39	-	-

Financial liabilities			
Borrowings	127.61	-	-
Trade payables	8.31	-	-
Other financial liabilities	0.18	-	-
Total financial liabilities	136.09	-	-

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.

The fair values of security deposits are determined based on discounted cash flow method calculated using discount rate that reflects the issuers borrowing rate for the respective financial asset/liability as at the end of the reporting period.




Note 24: Financial risk management objectives and policies

- i) The Company's board of directors have the overall responsibility of the establishment and oversight of its risks management framework.
- ii) 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.
- iii) The Company's activities exposes it to market risk, liquidity risk and credit risk.
- iv) 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.

(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 currency risks.

(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 provision matrix.

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-Mar-18	31 March 2017	1 April 2016
Trade receivable	5.96	0.20	0.20
Other financial assets	-	-	0.40
Total	5.96	0.20	0.60

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

Particulars	31-Mar-18	31 March 2017	1 April 2016
Opening balance	1.68	1.68	1.68
Amount provided/ (reversed) during the year	0.20	-	-
Closing provision	1.88	1.68	1.68



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 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 2018				
Loan from Related Party	56.00	-	-	56.00
Trade payables	9.23	-	-	9.23
Other financial liabilities	-	-	-	-
	65.23	-	-	65.23
As at 31 March 2017				
Loan from Related Party	81.30	-	-	81.30
Trade payables	9.58	-	-	9.58
Other financial liabilities	0.48	-	-	0.48
	91.36	-	-	91.36
As at 1 April 2016				
Loan from Related Party	127.61	-	-	127.61
Trade payables	8.31	-	-	8.31
Other financial liabilities	0.18	-	-	0.18
	136.09	-	-	136.09

Note 25: 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, 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.

Note 26: Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segment. The CODM evaluates the Company's performance and allocate resources based on analysis of various performance indicators of the Company. The Company is in the business of providing vocational training. Accordingly, segment information has not been presented for the nature of services rendered by the Company as there are no reportable segments as per IND AS 108 issued by The Institute of Chartered Accountants of India.

Geographical Segment

The Company operates in one Geographical segment namely "within India" and hence no separate information for Geographical Segment wise disclosure required.

Handwritten signature

Handwritten signature



IIJT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. in lakhs unless otherwise stated)

Note 27: Related party disclosure**(i) List of related parties and relationship:**

Description of relationship	Names of the related parties
a) Holding Company	TeamLease Services Limited ('TLSL')

(ii) Transactions with related parties

Transactions with related parties	31 March 2018	31 March 2017
Advances taken from		
Holding Company		
TLSL	4.26	5.30
Loans and Advances repaid		
Holding Company		
TLSL	29.71	51.61
Consultancy/services charges paid		
Service charges		
TLSL	3.15	3.15

(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 2018	31 March 2017	1 April 2016
Loans and advances payable			
Holding Company			
TLSL	56.00	81.30	127.61

Note 28: Contingent Liabilities

a) Income tax matter in respect of Financial year 2012-13 for which an appeal has been filed with Commissioner of Income Tax (Appeals) against demand notice of Rs. 9.61 Lakhs (Previous year Rs. NIL).

b) During the previous year, the Company has filed an appeal with Kolkata Municipal Tribunal against the demand notice raised by Kolkata Municipal Corporation towards property tax of Rs. 34.16 lakhs by depositing part of the amount under protest. This has been considered as contingent liability.

Note 29: Commitments**(a) Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2018 NIL (31 March 2017 : NIL 1 April 2016 : NIL)

(b) Other Commitments

Guarantees given by banks against fixed deposits as at 31 March 2018 NIL (31 March 2017 : NIL 1 April 2016 : NIL)

Note 30: Leases

The Company has not entered into any operating lease agreements.

Note 31: Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December

	SBNs	Other Denomination notes	Total
Closing cash in hand as on 8 November 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

(* Specified Bank Notes (SBNs) shall have the same meaning provided in notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated 8 November 2016.

Note 32: The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018, March 31, 2017 and April 01, 2016.



Handwritten signature

Handwritten signature



Handwritten signature

IIJT Education Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 33: Operating Lease Commitments

The company has entered into operating lease for an office in Kolkata. The lease agreement includes a upward revision to lease rentals on annual basis based on prevalent market conditions. The current lease agreement expired on 15 May 2018. The following table summarises minimum lease rentals as per agreement.

(i) Equity reconciliations	Note	31 March 2018	31 March 2017	01-Apr-16
Within one year		6.04	48.30	42.37
After one year but not more than five years		-	6.04	54.34
More than 5 years		-	-	-

Note 34: First time adoption**A. First time adoption**

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principle in India (Indian GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at April 01, 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions and exceptions availed

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :

a) Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

b) Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and as at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the impairment of financial assets based on expected credit loss model where the previous GAAP did not require estimate.

c) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets are made in accordance with Ind AS 109 Financial Instruments on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d) De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.



B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

(i) Equity reconciliations	Note	31 March 2017	1 April 2016
Total Equity (Shareholder's fund) as per previous GAAP		168.13	142.01
Ind AS adjustments			
Others		-	-
Total adjustments		-	-
Total equity as per Ind AS		168.13	142.01

(ii) Reconciliation of total comprehensive income	Note	31 March 2017
Profit after tax as per previous GAAP		26.12
Ind AS adjustments		
Expected credit loss on financial assets	A	-
Total adjustments		-
Profit after tax as per Ind AS		26.12
Other comprehensive income	B	-
Total comprehensive income as per Ind AS		26.12

A: Expected Credit loss

The provision is made against trade receivable based on "expected credit loss model as per Ind AS 109. Under I-GAAP the provision was made when the receivables turned doubtful based on the assessment on case to case basis.

B: Other comprehensive income

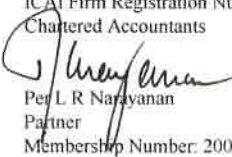
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' comprise remeasurements of defined benefit plans. Under previous GAAP, Company has not presented other comprehensive income separately.

C: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.


D: Previous year figures have been regrouped

The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current year's classification.


For Narayanan Patil and Ramesh
ICAI Firm Registration Number : 002395S
Chartered Accountants

Per L.R. Narayanan
Partner
Membership Number: 200/25588



For and on behalf of the board of directors


Ashok Kumar Nedurumalli
Director
DIN: 00151814


Rituparna Chakraborty
Director
DIN: 07332241


Vishwanathan Venkataraman
Company Secretary
CSN: 7078

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of TEAMLEASE EDUCATION FOUNDATION

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **TEAMLEASE EDUCATION FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other comprehensive income), Statement of changes in Equity and Cash Flow Statement for the year ended on that date annexed thereto, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the loss (including other comprehensive income) of the Company for the period ended on that date
- (c) its Cash flows for the year ended on that date and
- (d) the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

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 Companies Act, 2013 is not applicable to the company.

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 appears from our examination of those books.
- c) In our opinion, the Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts and returns.
- d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2018, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors), 2014, in our opinion and according to the information and explanations given to us, to the best of our knowledge :
- 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 derivatives 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 Narayanan, Patil and Ramesh
Chartered Accountants
Firm Reg. No. 0023955



L R Narayanan
Partner

Membership No: 200/25588



Place: Bangalore
Date: May 15, 2018



Annexure - A to the Auditor's Report

Report on the Internal Financial Controls 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 **M/s Teamlease Education Foundation** ("the Company") as of 31 March 2018 in conjunction with our audit of the 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 ('ICAI'). 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 Companies Act, 2013.

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

Place: Bangalore
Date: May 15, 2018

For Narayanan, Patil and Ramesh
Chartered Accountants

FRN: 002395S


L. R. Narayanan

Partner

Membership No. 200/25588



TeamLease Education Foundation
Standalone Balance Sheet as at 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	
ASSETS				
Non-current assets				
Financial assets				
Loans	4	4,313.54	3,376.30	1,950.89
Income tax assets (Net)	5	45.39	17.96	15.59
Total non-current assets		4,358.93	3,394.26	1,966.48
Current assets				
Financial assets				
Loans	4	100.10	0.10	-
Trade receivables	6	9.87	-	-
Cash and cash equivalents	7	2.55	82.53	-
Other financial assets	8	69.78	-	-
Other current assets	9	4.25	3.91	85.93
Total current assets		186.55	86.54	85.93
Total assets		4,545.48	3,480.80	2,052.41
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	10	1.00	1.00	1.00
Other equity	11	(223.06)	(184.84)	(184.88)
Total equity		(222.06)	(183.84)	(183.88)
LIABILITIES				
Non-current liabilities:				
Financial liabilities				
Borrowings	12	4,583.34	3,598.34	2,125.35
Total non-current liabilities		4,583.34	3,598.34	2,125.35
Current liabilities:				
Financial liabilities				
Borrowings	12	100.00	-	-
Trade payables	13	74.70	55.14	42.45
Other financial liabilities	14	-	-	60.31
Other current liabilities	15	9.50	11.16	8.18
Total current liabilities		184.20	66.30	110.94
Total liabilities		4,767.54	3,664.64	2,236.29
Total equity and liabilities		4,545.48	3,480.80	2,052.41

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 Narayanan Patil and Ramesh
ICAI Firm Registration Number: 002395S
Chartered Accountants

Per L R Narayanan
Partner

Membership Number: 200/25588

Place: Bangalore
Date: May 15, 2018



For and on behalf of the Board of Directors

Ashok Kumar

Ashok Kumar Nedurumalli
Director
DIN: 00151814

Place: Bangalore
Date: May 15, 2018

N Ravi Vishwanath

N Ravi Vishwanath
Director
DIN: 07332234



TeamLease Education Foundation

Standalone Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	16	80.77	100.85
Other income	17	274.59	180.29
Total income		355.36	281.13
Expenses			
Finance Costs	18	304.16	186.56
Other expenses	19	89.42	94.53
Total expenses		393.58	281.08
Profit/(Loss) before tax		(38.22)	0.05
Tax expense:			
- Current tax (Including MAT)		-	0.01
Income tax expense		-	0.01
Profit/(Loss) for the year		(38.22)	0.04
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	33		
Remeasurement gains/(losses) of defined benefits obligation		-	-
Income tax effect		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year, net of tax		(38.22)	0.04
Earnings per equity share:			
Basic and diluted	20	(382.20)	0.40

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 Narayanan Patil and Ramesh
ICAI Firm Registration Number: 002395S
Chartered Accountants

Per L. R. Narayanan
Partner
Membership Number: 200/25588



Place: Bangalore
Date: May 15, 2018

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli

Ashok Kumar Nedurumalli
Director
DIN: 00151814

Place: Bangalore
Date: May 15, 2018

N Ravi Vishwanath

N Ravi Vishwanath
Director
DIN: 07332234



TeamLease Education Foundation

Standalone Statement of Cash Flows for the year ended 31 March 2018

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

Notes	As at 31 March 2018	As at 31 March 2017
Operating activities		
Profit/(Loss) before tax	(38.22)	0.05
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Finance income	(274.39)	(179.58)
Working capital adjustments		
(Increase)/decrease in trade receivables	(9.87)	-
(Increase)/decrease in other financial assets	(69.78)	-
(Increase)/decrease in other assets	(0.34)	82.01
Increase/(decrease) in trade payables	19.56	12.68
Increase/(decrease) in other financial liabilities	-	(60.31)
Increase/(decrease) in other current liabilities	(1.66)	2.98
	(374.69)	(142.17)
Income tax paid (including TDS) (net)	(27.43)	(2.38)
Net cash flows from / (used in) operating activities	(402.12)	(144.55)
Investing activities		
Loans to related parties (Net of repayments received)	(1,037.24)	(1,425.51)
Interest received	274.39	179.58
Net cash flows from / (used in) investing activities	(762.85)	(1,245.92)
Financing activities		
Proceeds from borrowings (Net of repayments)	1,085.00	1,473.00
Net cash flows from / (used in) financing activities	1,085.00	1,473.00
Net increase / (decrease) in cash and cash equivalents	(79.98)	82.53
Cash and cash equivalents at the beginning of the year	82.53	-
Cash and cash equivalents at the end of the year	2.55	82.53

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 Narayanan Patil and Ramesh
ICAI Firm Registration Number: 002395S
Chartered Accountants

Per L R Narayanan
Partner
Membership Number: 200/25588



For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli
Director
DIN: 00151814

N Ravi Vishwanath
Director
DIN: 07332234

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018



TeamLease Education Foundation

Standalone Statement of Changes in Equity for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

a. Equity share capital:**Issued, subscribed and fully paid share capital**

	Numbers	Amount
Equity shares of Rs. 10 each:		
At 1 April 2016	10,000	1.00
Additions during the year	-	-
At 31 March 2017	10,000	1.00
Additions during the year	-	-
At 31 March 2018	10,000	1.00

* Also refer note no. 10

b. Other equity

Particulars	Attributable to equity holders of the Company	
	Reserves and surplus	Total other equity
	Retained earnings	Total
For the year ended 31 March 2017		
As at 1 April 2016	(184.88)	(184.88)
Profit/(Loss) for the year	0.04	0.04
Other comprehensive income	-	-
Total comprehensive income	(184.84)	(184.84)
As at 31 March 2017	(184.84)	(184.84)
For the year ended 31 March 2018		
As at 1 April 2017	(184.84)	(184.84)
Profit/(Loss) for the year	(38.22)	(38.22)
Other comprehensive income	-	-
Total comprehensive income	(223.06)	(223.06)
As at 31 March 2018	(223.06)	(223.06)

* Also refer note no. 11

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 Narayanan Patil and Ramesh
ICAI Firm Registration Number: 002395S
Chartered Accountants

Per L.R. Narayanan
Partner
Membership Number: 200/25588



Place: Bangalore
Date: May 15, 2018

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli N Ravi Vishwanath
Director Director
DIN: 00151814 DIN: 07332234



Place: Bangalore
Date: May 15, 2018

TeamLease Education Foundation

Notes to the standalone financial statements for the year ended 31 March 2018

1 Corporate information

TeamLease Education Foundation (the "Company") is a Section 25 Company incorporated on June 27, 2011. The objective of the Company is to promote & sponsor Educational Institutions including Universities dedicated to the inculcation of domain specific, workplace relevant and life related skills and competences for enhancing employability, work culture, enhanced productivity, economic development, social harmony and social life through offer of technology supported, industry relevant and low-cost academic Programmes with employment at the heart of academic offerings.

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 15, 2018.

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).

The standalone financial statements of the Company for all the periods upto and including the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act. These standalone financial statements for the year ended March 31 2018 are the first the Company has prepared in accordance with Ind AS. Refer note 29 for information on how the Company adopted IND AS.

(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 ;

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.

The standalone financial statements are presented in Indian Rupee and all values are rounded to nearest lakhs except when 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 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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



CPA

[Handwritten signature]



Skill & Development

Revenue from Skills and Development is recognized on accrual basis upon execution of the service.

Other 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.

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 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.

For arrangements entered into prior to 1st April 2016, the company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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 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.



A handwritten signature in blue ink, appearing to be "S. S.", located at the bottom left of the page.

3.7 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 current liabilities in the balance sheet.

3.8 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.

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.

3.9 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 consolidated 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 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 cost 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.

The Company follows "Simplified Approach" for recognition of Impairment Loss allowance on Trade receivables. The application of Simplified Approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date right from initial recognition.

For other 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.



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 amortised 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 using the 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. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and 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 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.

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

3.11 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 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 end 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.



3.12 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.

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.

3.13 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 holders of the parent (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.

3.14 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.

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. Refer note 21 for further disclosures.

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.

3.15 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.

3.16 Standards Issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company has evaluated the requirements of Ind AS 115 and there are significant impact on the financial statements.



b) Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since the Company is not having any investment in subsidiary, a joint venture or an associate, the amendment in Ind AS 112 will not have any impact on the Company.

c) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

d) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective. Since the Company does not have any such transaction, this amendment does not have any effect of the financial statements of the Company.

e) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the 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 the 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 as 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 April 1, 2018. Since the Company does not have any such transaction, this amendment does not have any effect of the financial statements of the Company.



TeamLease Education Foundation

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Financial assets**Note 4: Loans****Non-current**

(Unsecured, considered good)

Loans to related parties (refer note 25)

Loans to others

	31 March 2018	31 March 2017	1 April 2016
Loans to related parties (refer note 25)	4,313.54	3,375.90	1,950.76
Loans to others	-	0.40	0.14
	4,313.54	3,376.30	1,950.89

Current

Loans to related parties (refer note 25)

Other Deposits

	31 March 2018	31 March 2017	1 April 2016
Loans to related parties (refer note 25)	100.00	-	-
Other Deposits	0.10	0.10	-
	100.10	0.10	-

Note 5: Income tax assets (Net)

Advance income tax (net of provision for taxation)

	31 March 2018	31 March 2017	1 April 2016
Advance income tax (net of provision for taxation)	45.39	17.96	15.59
	45.39	17.96	15.59

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

Current income tax:

Current income tax charge

Income tax expense reported in the statement of profit or loss

	31 March 2018	31 March 2017
Current income tax charge	-	0.01
Income tax expense reported in the statement of profit or loss	-	0.01

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 2018	31 March 2017
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	-	-

Reconciliation of effective tax rate:

Profit/(Loss) before tax

MAT Tax @ 19.055%

Tax effect of:

Non-deductible tax expense

Others

Income tax expense/(income)

	31 March 2018	31 March 2017
Profit/(Loss) before tax	(38.22)	0.05
MAT Tax @ 19.055%	-	0.01
Tax effect of:		
Non-deductible tax expense	-	-
Others	-	-
Income tax expense/(income)	-	0.01

Note 6: Trade receivables

(Unsecured considered good unless other wise stated)

Trade receivables - Others

	31 March 2018	31 March 2017	1 April 2016
Trade receivables - Others	9.87	-	-
	9.87	-	-

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. For trade or other receivables due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 25.

b) Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

Note 7: Cash and cash equivalents

Balances with banks

- On current accounts

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- On current accounts	2.55	82.53	-
	2.55	82.53	-

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

Balances with banks

- On current accounts

Less: Bank overdraft

	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- On current accounts	2.55	82.53	-
	2.55	82.53	-
Less: Bank overdraft	-	-	-
	2.55	82.53	-

Note 8: Other financial assets**Current**

Unbilled Revenue

	31 March 2018	31 March 2017	1 April 2016
Unbilled Revenue	69.78	-	-
	69.78	-	-

Note 9: Other current assets

(Unsecured considered good unless other wise stated)

Prepaid expenses

Balances with statutory/ government authorities

Interest receivable on loan to related party

	31 March 2018	31 March 2017	1 April 2016
Prepaid expenses	0.02	0.05	0.08
Balances with statutory/ government authorities	4.23	3.86	3.88
Interest receivable on loan to related party	-	-	81.97
	4.25	3.91	85.93



TeamLease Education Foundation
Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 10: Equity share capital

	31 March 2018	31 March 2017	1 April 2016
Equity share capital			
(i) Authorised equity share capital 10,00,000 (31 March 2017: 10,00,000, 1 April 2016: 10,00,000) equity shares of Rs. 10 each	100.00	100.00	100.00
(ii) Issued, subscribed and fully paid-up shares 10,000 (31 March 2017: 10,000, 1 April 2016: 10,000) equity shares of Rs. 10 each	1.00	1.00	1.00
Total issued, subscribed and fully paid-up shares	1.00	1.00	1.00

(iv) Terms/ rights attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

Name of the shareholders	31 March 2018		31 March 2017		1 April 2016	
	Numbers	% holding in the class	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid TeamLease Services Limited (including its nominees)	10,000	100.00	10,000	100.00	10,000	100.00

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

Note 11: Other equity

	31 March 2018	31 March 2017	1 April 2016
Retained earnings	(223.06)	(184.84)	(184.88)
	(223.06)	(184.84)	(184.88)
Surplus in the statement of profit and loss			
Opening balance	(184.84)	(184.88)	(187.31)
Net Profit/(Loss) for the year	(38.22)	0.04	2.42
Closing balance	(223.06)	(184.84)	(184.88)
Reserve & Surplus			
Opening balance	(184.84)	(184.88)	(187.31)
Increase / (decrease) during the year	(38.22)	0.04	2.42
Closing balance	(223.06)	(184.84)	(184.88)

* For the movement of other equity, also refer Statement of Changes in Equity



(Handwritten signature)



TeamLease Education Foundation

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 12: Borrowings

	Effective interest rate	31 March 2018	31 March 2017	1 April 2016
Non Current Borrowings				
Unsecured				
Loan from Related Party - TLSL (Refer Note below)	9.00%	4,583.34	3,598.34	2,125.35
		<u>4,583.34</u>	<u>3,598.34</u>	<u>2,125.35</u>
Current Borrowings				
Unsecured				
Loan from Related Party (Refer Note below)	9.00%	100.00	-	-
		<u>100.00</u>	<u>-</u>	<u>-</u>

Note:

The loan is repayable in equal installments of Rs. 25 lakhs each every quarter starting FY19 onwards. The loan amount includes advances received before commencement of Companies Act, 2013 of Rs. 7247.04 lakhs on which interest is not being charged.

Note 13: Trade payables**Current**

Total outstanding dues of micro enterprises and small enterprises (Refer Note 28)

Total outstanding dues of creditors other than micro enterprises and small enterprises

	31 March 2018	31 March 2017	1 April 2016
Total outstanding dues of micro enterprises and small enterprises (Refer Note 28)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	74.70	55.14	42.45
	<u>74.70</u>	<u>55.14</u>	<u>42.45</u>

Note 14: Other financial liabilities**Current**

Book overdraft

	31 March 2018	31 March 2017	1 April 2016
Book overdraft	-	-	60.31
	<u>-</u>	<u>-</u>	<u>60.31</u>

Note 15: Other current liabilities

Statutory dues payable

	31 March 2018	31 March 2017	1 April 2016
Statutory dues payable	9.50	11.16	8.18
	<u>9.50</u>	<u>11.16</u>	<u>8.18</u>



TeamLease Education Foundation

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 16: Revenue from operations

(Net of taxes)

	31 March 2018	31 March 2017
Sale of Services	80.77	100.85
Other Operating Revenue	-	-
Total revenue	80.77	100.85

Note 17: Other income

	31 March 2018	31 March 2017
Interest income on:		
Loans to related parties	274.39	179.58
Income Tax Refunds	-	0.70
	274.39	180.29
Other Income	0.20	-
Total other income	274.59	180.29

Note 18: Finance Cost

Interest on loans

Related Party

	31 March 2018	31 March 2017
	304.16	186.56
	304.16	186.56

Note 19: Other expenses

	31 March 2018	31 March 2017
Rates & taxes	0.15	0.14
Repairs and maintenance		
-Others	-	0.16
Bank Charges	-	0.00
Legal and professional charges	0.96	2.56
Auditors' remuneration (Refer note below)	1.05	0.60
Subscription & Membership	0.03	0.03
Training Expenses	85.67	91.03
Sundry balances Written off	1.57	-
	89.42	94.53

Note: Payment to auditors**As auditor**

Statutory audit fee

Tax audit fee

	31 March 2018	31 March 2017
	0.90	0.45
	0.15	0.15
	1.05	0.60

Note 20: Earnings per share

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

	31 March 2018	31 March 2017
Profit/(Loss) attributable to equity shareholders (Rs. in lakhs)	(38.22)	0.04
Nominal value of each equity share (Rs.)	10	10
Weighted average number of equity shares outstanding during the year	10,000	10,000
EPS - basic and diluted (Rs.)	(382.20)	0.40




TeamLease Education Foundation

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 21: Fair value measurements**Financial instruments by category and hierarchy**

Particulars	Amortised cost	31 March 2018	
		FVOCI	FVTPL
Financial Assets			
Loans	4,413.64	-	-
Trade receivables	9.87	-	-
Cash and cash equivalents	2.55	-	-
Other financial assets	69.78	-	-
Total financial assets	4,495.84	-	-

Financial liabilities			
Borrowings	4,683.34	-	-
Trade payables	74.70	-	-
Total financial liabilities	4,758.05	-	-

Particulars	Amortised cost	31 March 2017	
		FVOCI	FVTPL
Financial Assets			
Loans	3,376.40	-	-
Cash and cash equivalents	82.53	-	-
Total financial assets	3,458.93	-	-

Financial liabilities			
Borrowings	3,598.34	-	-
Trade payables	55.14	-	-
Total financial liabilities	3,653.48	-	-

Particulars	Amortised cost	1 April 2016	
		FVOCI	FVTPL
Financial Assets			
Loans	1,950.89	-	-
Total financial assets	1,950.89	-	-

Financial liabilities			
Borrowings	2,125.35	-	-
Trade payables	42.45	-	-
Other financial liabilities	60.31	-	-
Total financial liabilities	2,228.11	-	-

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.

The fair values of security deposits are determined based on discounted cash flow method calculated using discount rate that reflects the issuers borrowing rate for the respective financial asset/liability as at the end of the reporting period.

Note 22: 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 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.

(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 currency risks.

(i) 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.



Handwritten signature/initials

Handwritten signature



(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 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 provision matrix.

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-Mar-18	31 March 2017	1 April 2016
Trade receivable	9.87	-	-
Other financial assets	69.78	-	-
Total	79.65	-	-

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

Particulars	31-Mar-18	31 March 2017	1 April 2016
Opening balance	-	-	-
Amount provided/ (reversed) during the year	-	-	-
Closing provision	-	-	-



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 2018				
Borrowings	100.00	100.00	4,483.34	4,683.34
Trade payables	74.70	-	-	74.70
	174.70	100.00	4,483.34	4,758.05
As at 31 March 2017				
Borrowings	-	-	3,598.34	3,598.34
Trade payables	55.14	-	-	55.14
	55.14	-	3,598.34	3,653.48
As at 1 April 2016				
Borrowings	-	-	2,125.35	2,125.35
Trade payables	42.45	-	-	42.45
Other financial liabilities	60.31	-	-	60.31
	102.76	-	2,125.35	2,228.11

Note 23: 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 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.

Note 24: Segment information**Primary Segments**

The Business segment has been considered as the Primary Segment for disclosure. The Company is in the business of imparting vocational Training. Accordingly there are no reportable segments as per IND AS 108 issued by The Institute of Chartered Accountants of India.

Geographical Segment

The Company operates in one Geographical segment namely " within India" and hence no separate information for Geographical Segment wise disclosure required.



[Handwritten signature]



TeamLease Education Foundation
Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 25: Related party disclosure

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Holding Company	TeamLease Services Limited ('TSLU')
b) Key management personnel and their relatives	Mr. Manish Sabharwal - Director Mr. Ashok Kumar Nedurumalji - Director Mr. Ravi Vishwanath - Director
c) Enterprises where key Managerial Personnel or their relatives exercise significant influence (where transactions have taken place)	TeamLease Skills University ('TLSU')

Nature of Transactions/ Balances	Name of Related Party	Holding Company		Enterprise over which key management personnel are able to exercise significant influence		Total	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Transactions during the year:							
Loan Received from Related Parties	TLSU	2,235.00	2,023.00	-	-	2,235.00	2,023.00
Interest Expenses on Loan	TLSU	304.16	186.56	-	-	304.16	186.56
Service Charges	TLSU	-	64.26	-	-	-	64.26
Training Expenses	TLSU	49.20	-	-	-	49.20	-
Other Expenses	TLSU	-	0.17	-	-	-	0.17
Interest on Loan Paid during the year	TLSU	304.16	186.56	-	-	304.16	186.56
Loan Repayment	TLSU	1,150.00	550.00	-	-	1,150.00	550.00
Other Expenses Paid	TLSU	76.01	8.37	-	-	76.01	8.37
Interest on Loan	TLSU	-	-	176.71	161.63	176.71	161.63
Other Expenses	TLSU	-	-	-	-	-	-
Loans and advances given to related parties	TLSU	-	-	1,160.00	963.25	1,160.00	963.25
Balances outstanding as at the year end:							
Loans and advances from related party	TLSU	4,683.35	3,598.35	-	-	4,683.35	3,598.35
Trade Payables to related party	TLSU	39.37	66.18	-	-	39.37	66.18
Loans and advances to related party	TLSU	-	-	4,412.21	3,075.50	4,412.21	3,075.50

Note 26: Commitments

(a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2018 NIL (31 March 2017 : NIL, 1 April 2016 : NIL)

(b) Other Commitments

Guarantees given by banks against fixed deposits as at 31 March 2018 NIL (31 March 2017 : NIL, 1 April 2016 : NIL)

Note 27: The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018, March 31, 2017 and April 01, 2016.



TeamLease Education Foundation

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 28: First time adoption

A. First time adoption

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principle in India (Indian GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at April 01, 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions and exceptions availed

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :

a) Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and as at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the impairment of financial assets based on expected credit loss model where the previous GAAP did not require estimate.

b) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets are made in accordance with Ind AS 109 Financial Instruments on the basis of facts and circumstances that exist at the date of transition to Ind AS.

c) De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.



A handwritten signature in blue ink, appearing to be "N. Narayanan".



B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Equity reconciliations	Note	31 March 2017	1 April 2016
Total Equity (Shareholder's fund) as per previous GAAP		(183.84)	(183.88)
Ind AS adjustments			
Others		-	-
Total adjustments		-	-
Total equity as per Ind AS		(183.84)	(183.88)

(ii) Reconciliation of total comprehensive income	Note	31 March 2017
Loss after tax as per previous GAAP		0.04
Ind AS adjustments		
Expected credit loss on financial assets	A	-
Total adjustments		-
Profit after tax as per Ind AS		0.04
Other comprehensive income		-
Total comprehensive income as per Ind AS		0.04

A: Expected Credit loss

The provision is made against trade receivable based on "expected credit loss model as per Ind AS 109. Under I-GAAP the provision was made when the receivables turned doubtful based on the assessment on case to case basis.

B: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' comprise remeasurements of defined benefit plans. Under previous GAAP, Company has not presented other comprehensive income separately.

C: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

D: Previous year figures have been regrouped

The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current year's classification.

For Narayanan Patil and Ramesh
ICAI Firm Registration Number: 002395S
Chartered Accountants

Per L. R. Narayanan
Partner
Membership Number: 200/25588



For and on behalf of the board of directors

Ashok Kumar Nedurumalli

Ashok Kumar Nedurumalli
Director
DIN: 00151814

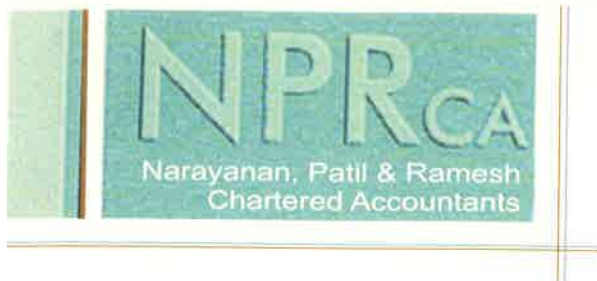
N Ravi Vishwanath

N Ravi Vishwanath
Director
DIN: 07332234



Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018



INDEPENDENT AUDITORS' REPORT

To the Members of **KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other comprehensive income), statement of changes in equity and Cash Flow Statement for the year ended on that date annexed thereto, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the profit(including other comprehensive income) of the Company for the period ended on that date
- (c) its Cash flows for the year ended on that date and
- (d) the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

1. 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 appears from our examination of those books.
 - c) In our opinion, the Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts and returns.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended
 - e) On the basis of written representations received from the directors as on 31 March, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2018, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors), 2014, in our opinion and according to the information and explanations given to us, to the best of our knowledge :
- 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 derivatives 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 Narayanan, Patil and Ramesh
Chartered Accountants
Firm Reg. No. 0023955


L R Narayanan
Partner



Place: Bangalore
Date: May 15, 2018

Membership No: 200/25588

ANNEXURE A TO AUDITORS' REPORT

Annexure A referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements** of the Auditors' Report to the members of **M/s. KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED** on the Ind AS financial statements for the period ended 31st March 2018.

According to the information and explanation given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There are no Immovable Properties held in the name of the company.
- ii. The company is a service oriented company and does not have any stock in trade and hence the reporting requirement under this clause is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013
- iv. In our opinion and according to the information and explanation given to us, the company does not have any loans, investments, guarantees and securities under the provisions of section 185 and 186 of the companies Act 2013.
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits as per the directive issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph (v) of the Order is not applicable to the Company.
- vi. According to the information and explanations given to us the Central Government has not specified the maintenance of cost records under sub-section (l) of section 148 of the Companies Act, for the products/ services of the company.



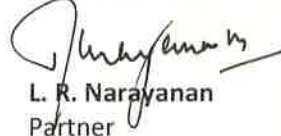
- vii. (a) The company is generally regular in depositing undisputed statutory dues including income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty, value added 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 become payable.
- (c) According to information and explanations given to us, the company does not have any outstanding dues of income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty, value added tax which have not been deposited on account of any dispute.
- viii. Based on our audit and according to the information and explanations given to us, the company has not availed loan from banks, financial institutions and government, and has no debentures. Accordingly, paragraph (viii) is not applicable.
- ix. Based on our audit and according to the information and explanations given to us the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and any term loan during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the company has not paid any managerial remuneration during the year.
- xii. The provisions of Section 197 read with Schedule V of the Act are not applicable to private limited companies and accordingly the reporting requirement under this clause is not applicable.
- xiii. Based on our audit and according to the information and explanations given to us and as represented by the management, all the transactions with the related parties are in compliance with sections 177 and 188 of the companies Act 2013, and the same have been disclosed in the in the notes forming part of Ind AS financial statements under Note-34 as required by applicable Indian Accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly parah (xiv) is not applicable.

- xv. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanations given by the management, the company has not entered into non-cash transactions with directors or persons connected with them.
- xvi. Based on our audit and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bangalore
Date: May 15, 2018

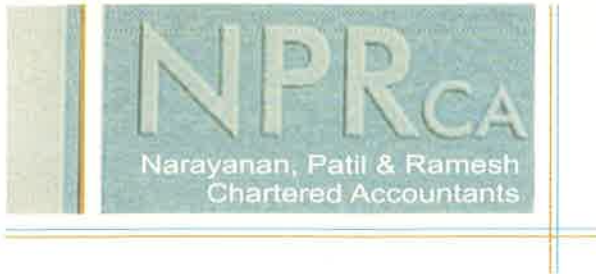
For Narayanan, Patil and Ramesh
Chartered Accountants

FRN: 002395S


L. R. Narayanan
Partner

Membership No.200/25588





Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 **M/s Keystone Business Solutions Private Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the 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 ('ICAI'). 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 Companies Act, 2013.

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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

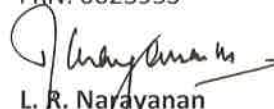
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

Place: Bangalore
Date: May 15, 2018

For Narayanan, Patil and Ramesh
Chartered Accountants

FRN: 002395S


L. R. Narayanan
Partner

Membership No. 200/25588



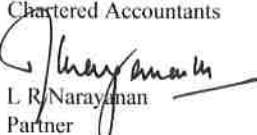
Keystone Business Solutions Private Limited
Standalone Balance Sheet as at 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	0.04	0.07	3.82
Intangible assets	5	0.22	0.40	0.28
Financial assets				
Investments	6	-	-	1.00
Loans	7	-	-	5.00
Other financial assets	8	-	-	-
Deferred tax assets (net)	9	7.68	4.71	2.01
Income tax assets (net)	10	88.66	24.63	34.71
Total non-current assets		96.60	29.81	46.82
Current assets				
Financial assets				
Trade receivables	11	187.54	127.77	56.43
Cash and cash equivalents	12	20.69	104.62	27.67
Bank balances other than cash and cash equivalents	13	80.00	-	-
Loans	7	-	3.34	-
Other financial assets	8	123.06	-	-
Other current assets	14	0.26	3.69	0.06
Total current assets		411.55	239.41	84.15
Total assets		508.15	269.22	130.97
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	15	4.26	4.26	4.26
Other equity	16	348.56	199.12	41.89
Total equity		352.82	203.38	46.16
LIABILITIES				
Non-current liabilities:				
Financial liabilities				
Non-current Borrowings	17	-	-	29.14
Provisions	18	19.07	9.88	4.74
Total non-current liabilities		19.07	9.88	33.88
Current liabilities:				
Financial liabilities				
Trade payables	19	16.78	9.80	5.00
Other financial liabilities	20	86.53	37.68	21.36
Provisions	18	0.69	0.17	-
Other current liabilities	21	32.26	8.31	24.59
Total current liabilities		136.26	55.96	50.94
Total liabilities		155.33	65.84	84.82
Total equity and liabilities		508.15	269.22	130.97

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 Narayanan Patil and Ramesh
ICAI Firm Registration Number : 002395S
Chartered Accountants

L. R. Narayanan
Partner
Membership No: 200/25588



For and on behalf of the Board of Directors


Ashok Kumar Nedurumalli
Director
DIN: 00151814


N. Ravi Vishwanath
Director
DIN: 07332234

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018



Keystone Business Solutions Private Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2018

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

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	22	1,111.22	788.72
Other income	23	6.30	2.18
Total income		1,117.52	790.91
Expenses			
Employee benefits expense	24	827.92	474.25
Finance Costs	25	0.79	0.19
Depreciation and amortization expense	26	0.22	1.56
Other expenses	27	105.19	79.04
Total expenses		934.13	555.04
Profit before tax		183.39	235.86
Tax expense:			
- Current tax		51.08	81.34
- Tax adjustment for earlier years		(6.76)	-
- Deferred tax	28	(5.03)	(2.69)
Income tax expense		39.28	78.64
Profit for the year		144.11	157.22
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) of defined benefits obligation	30	7.40	-
Income tax effect		(2.06)	-
Other comprehensive income for the year, net of tax		5.34	-
Total comprehensive income for the year, net of tax		149.45	157.22
Earnings per equity share of Rs. 10 each:			
Basic and diluted (Rs.)	29	338.07	368.83
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 Narayanan Patil and Ramesh

ICAI Firm Registration Number : 002395S

Chartered Accountants

L R/Narayanan

Partner

Membership No: 200/25588



For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli

Director

DIN: 00151814

N. Ravi Vishwanath

Director

DIN: 07332234

Place: Bangalore

Date: May 15, 2018

Place: Bangalore

Date: May 15, 2018



Keystone Business Solutions Private Limited

Standalone Statement of Cash Flows for the year ended 31 March 2018

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

Particulars	Notes	As at	As at
		31 March 2018	31 March 2017
Operating activities			
Profit before tax		183.39	235.86
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		0.03	1.41
Amortisation of intangible assets		0.18	0.15
Finance cost		0.79	0.19
Unrealised foreign exchange (gains)/loss		(0.00)	0.12
(Gain)/loss on disposal of property, plant and equipment		-	(0.32)
Finance income		(5.23)	-
(Gain)/loss on Sale of Investment		-	(1.80)
Gratuity expense		12.35	8.06
Leave Encashment		6.13	1.46
Sundry balances written off		-	7.34
Bad debts / advances written off and provided for		4.63	0.67
Working capital adjustments			
(Increase)/decrease in trade receivables		(64.40)	(72.13)
(Increase)/decrease in loans		3.34	1.66
(Increase)/decrease in other financial assets		(119.22)	-
(Increase)/decrease in other assets		3.43	(10.97)
Increase/(decrease) in trade payables		6.98	4.81
Increase/(decrease) in other financial liabilities		48.85	16.32
Increase/(decrease) in other current liabilities		23.95	(16.28)
Increase/(decrease) in provisions		(1.38)	(4.21)
		103.82	172.35
Income tax paid (including TDS) (net)		(108.35)	(71.26)
Net cash flows from / (used in) operating activities		(4.52)	101.09
Investing activities			
Purchase of property, plant and equipment (including CWIP)		-	(1.46)
Purchase of intangible assets		-	(0.41)
Proceeds from sale of property, plant and equipment and intangibles		-	4.25
(Purchase)/sale of Non-current investments		-	2.80
Investment in Fixed Deposit		(80.00)	-
Interest received		1.39	-
Net cash flows from / (used in) investing activities		(78.61)	5.19
Financing activities			
Interest paid		(0.79)	(0.19)
Repayment of Borrowings (Net)		-	(29.14)
Net cash flows from / (used in) financing activities		(0.79)	(29.32)
Net increase / (decrease) in cash and cash equivalents		(83.93)	76.95
Cash and cash equivalents at the beginning of the year		104.62	27.67
Cash and cash equivalents at the end of the year		20.69	104.62

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 Narayanan Patil and Ramesh

ICAI Firm Registration Number : 002395S

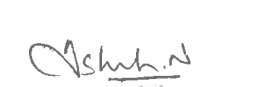
Chartered Accountants



L R Narayanan
Partner

Membership No: 200/25588



For and on behalf of the Board of Directors


Ashok Kumar Nedurumalli
Director
DIN: 00151814


N. Ravi Vishwanath
Director
DIN: 07332234



Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018

Keystone Business Solutions Private Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2018

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

a. Equity share capital:**Issued, subscribed and fully paid share capital**

	Numbers	Amount
Equity shares of Rs. 10 each:		
At 1 April 2016	42,627	4.26
Additions during the year	-	-
At 31 March 2017	42,627	4.26
Additions during the year	-	-
At 31 March 2018	42,627	4.26

* Also refer note 15

b. Other equity

Particulars	Attributable to equity holders of the Company		Total other equity
	Reserves and surplus		Total
	Securities premium	Retained earnings	
For the year ended 31 March 2017			
As at 1 April 2016	61.05	(19.16)	41.89
Profit for the year	-	157.22	157.22
Other comprehensive income	-	-	-
Total comprehensive income	61.05	138.07	199.12
As at 31 March 2017	61.05	138.07	199.12
For the year ended 31 March 2018			
As at 1 April 2017	61.05	138.07	199.12
Profit for the year	-	144.11	144.11
Other comprehensive income	-	5.34	5.34
Total comprehensive income	61.05	287.51	348.56
less : Distribution	-	-	-
As at 31 March 2018	61.05	287.51	348.56

* Also refer note 16

Summary of significant accounting policies

3

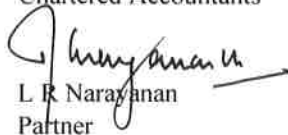
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Narayanan Patil and Ramesh

ICAI Firm Registration Number : 002395S

Chartered Accountants



L. R. Narayanan
Partner

Membership No: 200/25588



For and on behalf of the Board of Directors



Ashok Kumar Nedurumalli

Director

DIN: 00151814



N. Ravi Vishwanath

Director

DIN: 07332234

Place: Bangalore

Date: May 15, 2018

Place: Bangalore

Date: May 15, 2018



Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

1 Corporate information

Keystone Business Solutions Private Limited (the "Company") was incorporated on November 27, 2009. The Company is primarily engaged in the business of information technology and consulting and product development and other allied activities. The entire shares of the Company was fully acquired by Teamlease Digital Private Limited (formerly TeamLease Staffing Services Private Limited) w.e.f. February 01, 2017. The ultimate holding company of the Company is TeamLease Services Limited, a NSE and BSE listed entity.

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 15, 2018.

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, and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements of the Company for all the periods upto and including the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act. These standalone financial statements for the year ended March 31 2018 are the first the Company has prepared in accordance with Ind AS. Refer **Note 40** for information on how the Company adopted IND AS.

(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, and
- b) Defined benefit plans assets 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.

The standalone financial statements are presented in Indian Rupee and all values are rounded to nearest lakhs except when 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 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.



Handwritten initials

Handwritten signature

3.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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.

Unbilled revenue represents amount for which services have been rendered in accordance with the terms of the agreement and not invoiced as at the balance sheet date.

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 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.

For arrangements entered into prior to 1st April 2016, the company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.



Handwritten initials "AN".

Handwritten signature.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the 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 written down value 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	8

3.7 Intangible assets

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

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.

A summary of the policies applied to the Company's intangible assets is, as follows:

Asset	Life in Years
Software other than HRIS	3 years
HRIS Software	5 years



Handwritten signature/initials.

Handwritten signature.

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 Standards Issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company has evaluated the requirements of Ind AS 115 and there are significant impact on the financial statements.

b) Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since the Company is not having any investment in subsidiary, a joint venture or an associate, the amendment in Ind AS 112 will not have any impact on the Company.

c) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

d) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective. Since the Company does not have any such transaction, this amendment does not have any effect of the financial statements of the Company.

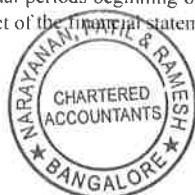
e) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the 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 the 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 as 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 April 1, 2018. Since the Company does not have any such transaction, this amendment does not have any effect of the financial statements of the Company.



[Handwritten initials]

[Handwritten signature]

3.10 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 consolidated 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.

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.



QW

L

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 using the 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 P & L. However, the Company may transfer the cumulative gain or loss within equity. All other charge in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through 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.



QW

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 current 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.

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 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 end 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 product is sold or service provided 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.



Handwritten initials

Handwritten signature

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 holders of the parent (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 30.

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. Refer note no.9.

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. Refer note 31 for further disclosures.

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.



A handwritten signature in black ink.

A handwritten signature in black ink.

Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 4: Property, plant and equipment*

	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
Deemed cost at 1 April 2016	0.59	0.04	0.54	2.65	4.82
Additions	0.36	0.10	1.00	-	1.46
Disposals	(0.87)	(0.14)	(1.54)	(2.65)	(5.21)
As at 31 March 2017	0.07	-	-	-	1.07
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2018	0.07	-	-	-	1.07
Accumulated depreciation					
Charge during the year	0.30	0.09	0.29	0.74	1.41
Disposals	(0.30)	(0.09)	(0.29)	(0.74)	(1.41)
As at 31 March 2017	0.00	-	-	-	0.00
Charge during the year	0.03	-	-	-	0.03
Disposals	-	-	-	-	-
As at 31 March 2018	0.03	-	-	-	0.03
Net Block					
As at 1 April 2016	0.59	0.04	0.54	2.65	3.82
As at 31 March 2017	0.07	-	-	-	0.07
As at 31 March 2018	0.04	-	-	-	0.04

Note 5: Other Intangible assets*

	Computer - Software	Software - Others (HRIS)	Total
Deemed cost at 1 April 2016	0.28	-	0.28
Additions	-	0.41	0.41
Disposals	(0.28)	-	(0.28)
As at 31 March 2017	-	0.41	0.41
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2018	-	0.41	0.41
Accumulated amortisation			
Charge during the year	0.15	0.00	0.15
Disposals	(0.15)	-	(0.15)
As at 31 March 2017	-	0.00	0.00
Additions	-	0.18	0.18
Disposals	-	-	-
As at 31 March 2018	-	0.18	0.18
Net Block			
As at 1 April 2016	0.28	-	0.28
As at 31 March 2017	-	0.40	0.40
As at 31 March 2018	-	0.22	0.22

*Refer note 40 for first time adoption of Ind AS for deemed cost exemption.



2/1



[Handwritten signature]

Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 6: Investments

	31 March 2018	31 March 2017	1 April 2016
Investments -non current			
Unquoted carried at cost			

(i) Investments in subsidiaries

Keystone Healthcare Technologies Private Limited	-	-	1.00
NIL (31 March 2017: NIL, 1 April 2016: 9,999) equity shares of Rs. 10 each, fully paid			
Less: Provision for Diminution in the Value of Investments	-	-	-
	<u>-</u>	<u>-</u>	<u>1.00</u>
Aggregate Vaue of Unquoted Investments	-	-	1.00
Aggregate amount of provision for dimunition in the value of investments	-	-	-

Notes:

1) On 04 January 2017, the Company has disposed off its investments in the equity shares of Keystone Healthcare Technologies Private Limited at Rs.2.80 lakhs resulting into gain of Rs.1.80 lakhs in the transaction. Accordingly, it ceases to be subsidiary of the Company.

Note 7: Loans

Non-current

(Unsecured, considered good)

	31 March 2018	31 March 2017	1 April 2016
Security deposit	-	-	5.00
Other Deposits	-	-	-
	<u>-</u>	<u>-</u>	<u>5.00</u>

Current

Security deposit	-	3.34	-
Other Deposits	-	-	-
	<u>-</u>	<u>3.34</u>	<u>-</u>

Note 8: Other financial assets

Non-current

Interest accrued on fixed deposits

Fixed deposits with banks (maturity of more than 12 months)

	31 March 2018	31 March 2017	1 April 2016
Interest accrued on fixed deposits	-	-	-
Fixed deposits with banks (maturity of more than 12 months)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Current			
Interest accrued on fixed deposits	3.84	-	-
Unbilled Revenue	119.22	-	-
	<u>123.06</u>	<u>-</u>	<u>-</u>
	<u>123.06</u>	<u>-</u>	<u>-</u>

Note 9: Deferred tax assets/(liabilities)

	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets/(liabilities)	7.68	4.71	2.01
	<u>7.68</u>	<u>4.71</u>	<u>2.01</u>

As at	Provision for bad and doubtful debts	Depreciation on fixed assets	Provision for leave encashment and gratuity	Others	Total
1 April 2016	-	1.59	0.33	0.10	2.01
Charge/(Credit):					
Profit and loss	-	(0.94)	3.00	0.64	2.69
Other comprehensive income	-	-	-	-	-
31 March 2017	<u>-</u>	<u>0.65</u>	<u>3.32</u>	<u>0.74</u>	<u>4.71</u>
Charge/(Credit):					
Profit and loss	1.28	(0.16)	0.06	(0.26)	0.92
Other comprehensive income	-	-	2.06	-	2.06
31 March 2018	<u>1.28</u>	<u>0.49</u>	<u>5.44</u>	<u>0.47</u>	<u>7.68</u>

Reconciliation of deferred tax (net)

	31 March 2018	31 March 2017	1 April 2016
Opening balance	4.71	2.01	2.01
Tax credit/ (expense) during the year recognized in statement of profit and loss	0.92	2.69	-
Tax expense during the year recognised in OCI	2.06	-	-
Closing balance	<u>7.68</u>	<u>4.71</u>	<u>2.01</u>



Handwritten signature/initials

Handwritten signature

Note 10: Income tax assets (net)

Advance income tax (net of provision for taxation)

31 March 2018	31 March 2017	1 April 2016
88.66	24.63	39.71
88.66	24.63	39.71

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

Current income tax charge

Tax credit for earlier years

Deferred tax credit(net)

Income tax expense reported in the statement of profit or loss

31 March 2018	31 March 2017
51.08	81.34
(6.76)	-
(5.03)	(2.69)
39.28	78.64

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 2018	31 March 2017
2.06	-
2.06	-

Reconciliation of effective tax rate:

Profit before tax

Tax using the Company's domestic tax rate @27.525% (31 March 2017: 33.063%, 31 March 2016: 30.90%)

Tax effect of:

Non-deductible tax expense

Capital Gains

Deduction u/s 80JJA

Tax credit for earlier years

Others

Income tax expense/(income)

31 March 2018	31 March 2017
183.39	235.86
50.53	77.98
-	3.43
-	(0.60)
(5.42)	(3.28)
(6.76)	-
0.93	1.11
39.28	78.64

Note 11: Trade receivables

(Unsecured considered good unless other wise stated)

Trade receivables- others

Doubtful

Less:

Allowance for doubtful debts

a) Trade receivables are non-interest bearing.

31 March 2018	31 March 2017	1 April 2016
187.54	127.77	56.43
4.63	-	-
192.18	127.77	56.43
(4.63)	-	-
187.54	127.77	56.43

Note 12: Cash and cash equivalents

Balances with banks

- In current accounts

Cash on hand

31 March 2018	31 March 2017	1 April 2016
20.69	104.60	27.65
-	0.01	0.02
20.69	104.62	27.67

Note 13: Bank balances other than cash and cash equivalents

Deposits with remaining maturity of less than 12 months

Deposits with remaining maturity of more than 12 months

80.00	-	-
-	-	-
80.00	-	-

Less : Amounts disclosed under other financial assets (Refer note 8)

-	-	-
80.00	-	-
100.69	104.62	27.67

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

Balances with banks

- In current accounts

Cash on hand

Less: Bank overdraft

31 March 2018	31 March 2017	1 April 2016
20.69	104.60	27.65
-	0.01	-
20.69	104.62	27.67
-	-	-
20.69	104.62	27.67

There are no repatriation restrictions with regard to cash and cash equivalents at the end of the reporting period and prior periods.

Note 14: Other current assets

(Unsecured considered good unless other wise stated)

Prepaid expenses

Advances recoverable in cash or in kind

31 March 2018	31 March 2017	1 April 2016
0.21	1.78	0.06
0.05	1.91	-
0.26	3.69	0.06



Handwritten signature/initials.

Handwritten signature.

Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 15: Equity share capital

Equity share capital

(i) Authorized equity share capital

100,000 (31 March 2017: 100,000, 1 April 2016: 100,000) equity shares of Rs. 10 each.

(ii) Issued, subscribed and fully paid-up shares

42,627 (31 March 2017: 42,627, 1 April 2016: 42,627) equity shares of Rs. 10 each.

Total issued, subscribed and fully paid-up shares

4,26 4,26

(iv) Terms/ rights attached to equity shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

Name of the shareholders	31 March 2018		31 March 2017		1 April 2016	
	Numbers	% holding in the class	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid						
TeamLease Staffing Services Private Limited* (including its nominee)	42,627	100.00	42,627	100.00	-	-
Mr. Ashwin Krishna	-	-	-	-	16,096	37.76
Mr. Adarsh Holavanahalli	-	-	-	-	7,673	18.00
Mr. Srinivas Govind Rao	-	-	-	-	10,518	24.67
Mr. Prasanna G	-	-	-	-	2,440	5.72
Mr. Rajavendra Pai	-	-	-	-	5,900	13.84
* Holding company w.e.f. 01 February 2017. TeamLease Services Limited is the ultimate holding company w.e.f. 01 February 2017.						

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil.

Note 16: Other equity

	31 March 2018	31 March 2017	1 April 2016
Securities premium account	61.05	61.05	61.05
Retained earnings	287.51	138.07	(19.16)
	348.56	199.12	41.89
Securities premium			
Opening balance	61.05	61.05	61.05
Increase during the year	-	-	-
Closing balance	61.05	61.05	61.05
Surplus in the statement of profit and loss			
Opening balance	138.07	(19.16)	(19.16)
Net Profit/(Loss) for the year	144.11	157.22	-
Other comprehensive income recognised directly in retained earnings	5.34	-	-
- Remeasurement of post employment benefit obligation, net of tax	-	-	-
Less: Appropriation during the year	-	-	-
Closing balance	287.51	138.07	(19.16)

* For the movement of other equity, also refer Statement of Changes in Equity

Nature and purpose of other reserves

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.



[Handwritten signature]

Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 17: Borrowings

	<u>Effective interest rate</u>	<u>Maturity</u>	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Non-current Borrowings					
Secured					
Term Loan from Bank*	10.50%	2018	-	-	2.50
Unsecured					
Loans and advances from Directors	Interest free	On demand	-	-	26.63
			<u>-</u>	<u>-</u>	<u>29.14</u>

*The Company has taken loan from Bank secured by hypothecation of Car of Rs. Nil (31 March 2017: NIL, 1 April 2016: Rs. 2.50 lakhs)

Note 18: Provisions

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Non-current			
Employee benefits - Gratuity (Refer note 30)	12.55	8.50	3.83
Employee benefits - Leave Encashment	6.52	1.38	0.91
	<u>19.07</u>	<u>9.88</u>	<u>4.74</u>

Current

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Employee benefits - Gratuity (Refer note 30)	0.10	0.04	-
Employee benefits - Leave Encashment	0.59	0.13	-
	<u>0.69</u>	<u>0.17</u>	<u>-</u>

Note 19: Trade payables

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Current			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16.78	9.80	5.00
	<u>16.78</u>	<u>9.80</u>	<u>5.00</u>

Note 20: Other financial liabilities

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Current			
Employees Benefits Payable	86.53	37.68	21.36
	<u>86.53</u>	<u>37.68</u>	<u>21.36</u>

Note 21: Other current liabilities

	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>1 April 2016</u>
Statutory dues payable	32.26	8.31	24.59
	<u>32.26</u>	<u>8.31</u>	<u>24.59</u>

(Signature)

(Signature)



Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 22: Revenue from operations

(Net of taxes)

Sale of Services

Total revenue

31 March 2018	31 March 2017
1,111.22	788.72
1,111.22	788.72

Note 23: Other income

Interest income on:

Deposits with banks

Income Tax Refunds

Profit on Sale of Investments

Profit on sale of asset (net)

Miscellaneous income

Total other income

31 March 2018	31 March 2017
5.23	-
1.06	-
6.30	-
-	1.80
-	0.32
-	0.06
6.30	2.18

Note 24: Employee benefits expense

Salaries, wages and bonus

Gratuity expense (Refer note 30)

Leave Encashment

Contribution to provident fund and other funds

Staff welfare expenses

Total employee benefit expense

31 March 2018	31 March 2017
779.88	444.79
12.35	8.06
6.13	1.46
28.34	17.80
1.23	2.15
827.92	474.25

Note 25: Finance Cost

Interest on loans

- From related Party

- Car Loan

Interest on late payment of statutory dues

0.77	-
-	0.19
0.03	-
0.79	0.19

Note 26: Depreciation and amortization expense

Depreciation of property, plant & equipment

Amortization of intangible assets

31 March 2018	31 March 2017
0.03	1.41
0.18	0.15
0.22	1.56



A handwritten signature in black ink, appearing to be "S. S.", located below the Keystone Business Solutions stamp.

A handwritten signature in black ink, appearing to be "K.", located below the Keystone Business Solutions stamp.

Note 27: Other expenses

	31 March 2018	31 March 2017
Rent	11.52	7.88
Rates & taxes	0.27	1.81
Electricity	-	1.01
Traveling and conveyance	5.74	21.70
Repairs and maintenance		
-Leasehold premises	-	0.44
-Others	-	0.56
Printing and stationery	0.27	-
Communication costs	0.11	1.35
Legal and professional charges	80.80	31.90
Auditors' remuneration (Refer note below)	1.75	1.50
Insurance - Others	-	0.16
Advertisement and business promotion	0.08	0.16
Bank charges	0.00	0.09
Sundry balances written off	-	7.34
Bad Debts written off	-	0.67
Provision for bad and doubtful debts	4.63	-
Office expenses	-	1.47
Miscellaneous Expenses	0.00	0.88
Foreign exchange loss (Net)	(0.00)	0.12
	105.19	79.04

Note: Payment to auditors**As auditor**

	31 March 2018	31 March 2017
Statutory audit fee	1.50	1.25
Tax audit fee	0.25	0.25
	1.75	1.50

Note 28: Income tax expense

	31 March 2018	31 March 2017
Current income tax charge	51.08	81.34
Tax credit for earlier years	(6.76)	-
Deferred tax :		
Decrease/(Increase) in deferred tax	(5.03)	(2.69)
Income Tax expense for the year	39.28	78.64

OCI section

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

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

Income tax charged to OCI

	31 March 2018	31 March 2017
	2.06	-
	2.06	-

Note 29: Earnings per share

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

	31 March 2018	31 March 2017
Profit/(Loss) attributable to equity shareholders	144.11	157.22
Nominal value of each equity share (Rs.)	10	10
Weighted average number of equity shares outstanding during the year	42,627	42,627
EPS - basic and diluted (Rs.)	338.07	368.83



[Handwritten signature]

[Handwritten signature]

Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 30: 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 service and salary at retirement.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Net defined benefit liability/ (assets)

	31 March 2018	31 March 2017	1 April 2016
Present value of unfunded obligation	12.65	8.54	3.83
Fair value of plan assets	-	-	-
Net liability	12.65	8.54	3.83

Net benefit cost recognised in statement of profit and loss

	31 March 2018	31 March 2017
Current service cost	11.72	5.68
Past Service Cost	-	2.85
Interest cost on defined benefit obligation	0.63	-
Net benefit expense	12.35	8.54

Remeasurement loss/(gains) in other comprehensive income

Particulars	31 March 2018	31 March 2017
Due to change in financial assumptions	3.44	-
Due to change in experience adjustments	(10.83)	-
Actuarial loss recognised in OCI	(7.40)	-

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

Particulars	31 March 2018	31 March 2017
Defined benefit obligation at beginning of the year	8.54	3.83
Current service cost	11.72	5.68
Past Service Cost	-	2.85
Interest cost on defined benefit obligation	0.63	-
Benefits paid	(0.84)	(3.36)
Reversal	-	(0.47)
Re-measurements		
Actuarial (gain) / loss arising from changes in financial assumptions	3.44	-
Actuarial (gain) / loss arising from changes in experience adjustments	(10.83)	-
Defined benefit obligation at end of the year	12.65	8.54

	31 March 2018	31 March 2017	1 April 2016
Current	0.10	0.04	-
Non-current	12.55	8.50	3.83

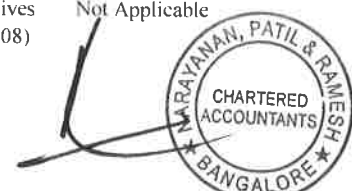
The principal assumptions used in determining gratuity benefit obligation are shown below:

	31 March 2018	31 March 2017	1 April 2016*
Discount rate	7.75%	7.50%	Not Applicable
Salary escalation rate	6%	6%	Not Applicable
Expected remaining working lives of employees (years)	28.81	29.79	Not Applicable
Attrition rate	1% to 8%	1% to 8%	Not Applicable
Retirement age	58	58	Not Applicable
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table	Not Applicable

* The gratuity benefit obligation as of 1 April, 2016 was not calculated as per actuarial valuation method.



2/1



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 2018 and 31 March 2017 are as shown below:

	<u>Discount rate</u>		<u>Salary escalation rate</u>	
	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
1% increase	11.11	7.14	14.60	10.23
1% decrease	14.52	10.23	11.02	7.11

	<u>Attrition rate</u>	
	<u>31 March 2018</u>	<u>31 March 2017</u>
1% increase	12.48	8.63
1% decrease	12.77	8.46

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 2018</u>	<u>31 March 2017</u>
Year 1	0.11	-
Year 2	0.11	-
Year 3	0.27	-
Year 4	0.81	-
Year 5	1.26	-
Next 5 years	5.66	8.54

The Company expects to contribute Rs 13.20 lakhs (31 March 2017: Rs 6.06 lakhs; 1 April 2016: Rs.NIL) in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is 6.75 years (31 March 2017: 10 years)



Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 31: Fair value measurements**Financial instruments by category and hierarchy**

Particulars	31 March 2018		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans	-	-	-
Trade receivables	187.54	-	-
Cash and cash equivalents	20.69	-	-
Bank balances other than cash and cash equivalents	80.00	-	-
Other financial assets	123.06	-	-
Total financial assets	411.29	-	-

Financial liabilities			
Trade payables	16.78	-	-
Other financial liabilities	86.53	-	-
Total financial liabilities	103.31	-	-

Particulars	31 March 2017		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans	3.34	-	-
Trade receivables	127.77	-	-
Cash and cash equivalents	104.62	-	-
Total financial assets	235.72	-	-





Financial liabilities			
Trade payables	9.80	-	-
Other financial liabilities	37.68	-	-
Total financial liabilities	47.48	-	-

Particulars	1 April 2016		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans	5.00	-	-
Trade receivables	56.43	-	-
Cash and cash equivalents	27.67	-	-
Total financial assets	89.10	-	-

Financial liabilities			
Trade payables	5.00	-	-
Other financial liabilities	21.36	-	-
Total financial liabilities	26.35	-	-

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.

Note 32: Financial risk management objectives and policies

- i) The Company's board of directors have the overall responsibility of the establishment and oversight of its risks management framework.
- ii) 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.
- iii) The Company's activities exposes it to market risk, liquidity risk and credit risk.
- iv) 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.

(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 currency risks.

(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 provision matrix.

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-Mar-18	31 March 2017	1 April 2016
Trade receivable	187.54	127.77	56.43
Loans - Security deposit	-	3.34	5.00
Other financial assets	123.06	-	-
Total	310.60	131.11	61.43

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

Particulars	31-Mar-18	31 March 2017
Opening balance	-	-
Amount provided/ (reversed) during the year	4.63	-
Closing provision	4.63	-



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 2018				
Trade payables	16.78	-	-	16.78
Other financial liabilities	86.53	-	-	86.53
	103.31	-	-	103.31
As at 31 March 2017				
Trade payables	9.80	-	-	9.80
Other financial liabilities	37.68	-	-	37.68
	47.48	-	-	47.48
As at 1 April 2016				
Trade payables	5.00	-	-	5.00
Other financial liabilities	21.36	-	-	21.36
	26.35	-	-	26.35

Note 33: 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.



Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 34: Related party disclosure**(i) List of related parties and relationship:**

Description of relationship	Names of the related parties
a) Ultimate Holding Company	TeamLease Services Limited ('TSL')
b) Holding Company	TeamLease Digital Private Limited (formerly TeamLease Staffing Services Private Limited) ('TDPL')
c) Subsidiary company	Keystone Helathcare Technologies Private Limited ('KHT') (ceased to be subsidiary w.e.f. January 04, 2017)
d) Key management personnel and their relatives	Mr. Ashok Kumar Nedurumalli - Director (appointed w.e.f. February 01, 2017) Mr. Ravi Vishwanath - Director (appointed w.e.f. February 01, 2017) Ms. Shilpa Kamlesh Avarsekar - Director (appointed w.e.f. April 13, 2017) Mr. Ashwin Krishna (resigned w.e.f. February 01, 2017) Mr. Srinivasa Govinda Rao (resigned w.e.f. February 01, 2017) Mr. Raghavendra Pai (resigned w.e.f. February 01, 2017)

(ii) Transactions with related parties

Transactions with related parties	31 March 2018	31 March 2017
Loans and advances received from		
Key management personnel and their relatives		
Mr. Ashwin Krishna	-	0.67
Mr. Srinivasa Govinda Rao	-	5.49
Mr. Raghavendra Pai	-	3.41
Holding Company		
TDPL	457.00	-
Loans repaid to		
Key management personnel and their relatives		
Mr. Ashwin Krishna	-	19.70
Mr. Srinivasa Govinda Rao	-	8.26
Mr. Raghavendra Pai	-	8.23
Holding Company		
TDPL	457.00	-
Interest expense on loan		
Holding Company		
TDPL	0.77	-
Consultancy/Professional charges		
Ultimate Holding Company		
TSL	25.00	-
Employee Insurance charges		
Ultimate Holding Company		
TSL	1.22	-
Rent Paid		
Ultimate Holding Company		
TSL	11.52	-
Reimbursement of expenses		
Holding Company		
TDPL	-	2.05
Managerial remuneration (Refer Note 1 below)		
Key managerial personnel and their relatives		
Mr. Ashwin Krishna	-	11.67
Mr. Srinivasa Govinda Rao	-	9.81
Mr. Raghavendra Pai	-	4.01

(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 2018	31 March 2017	1 April 2016
Borrowings			
Key managerial personnel and their relatives			
Mr. Ashwin Krishna	-	-	19.04
Mr. Srinivasa Govinda Rao	-	-	2.77
Mr. Raghavendra Pai	-	-	4.83
Holding Company			
TDPL			-



[Handwritten signature]

[Handwritten signature]

Investments in equity shares

Subsidiary companies

KHT

- - 1.00

Sundry Creditors

Ultimate Holding Company

TSL

8.10 - -

Terms and conditions of transactions with related parties

1. 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.

Note 35: Contingent Liabilities

None.

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 2018	31 March 2017	1 April 2016
Property, plant and equipment	-	-	-

Note 37: Non-cancellable operating leases

The Company has entered into cancellable operating lease agreements for office premises at various locations from time to time. The lease period ranges between 1 year to 3 years. The lease rental charged during the year are as follows :

	31 March 2018	31 March 2017
Lease rentals under cancellable and non-cancellable leases	11.52	7.88

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

	31 March 2018	31 March 2017	1 April 2016
Within one year	-	-	-
Later than one year but not later than five years	-	-	-
Later than five years	-	-	-

Note 38: The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018, March 31, 2017 and April 01, 2016.

Note 39: 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 2017 and will continue to avail the benefit during the year ended 31 March 2018 as well.



Keystone Business Solutions Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018

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

Note 40: First time adoption

A. First time adoption

For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with generally accepted accounting principle in India (Indian GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at April 01, 2015, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions and exceptions availed

a) Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :

b) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for investments in subsidiaries as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure its investments in subsidiaries in the standalone financial statements at their previous GAAP carrying value.

c) Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

d) Ind AS 101 permits a first-time adopter to elect to continue with the net carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP net carrying values.

e) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

g) Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.





Ind AS estimates as at 1 April 2016 and as at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the impairment of financial assets based on expected credit loss model where the previous GAAP did not require estimate.

h) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets are made in accordance with Ind AS 109 Financial Instruments on the basis of facts and circumstances that exist at the date of transition to Ind AS.

i) De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Equity reconciliations	Note	31 March 2017	1 April 2016
Total Equity (Shareholder's fund) as per previous GAAP		203.38	46.16
Ind AS adjustments			
Fair valuation of Security deposit	A	-	-
Deferred tax, net	B	-	-
Total adjustments		-	-
Total equity as per Ind AS		203.38	46.16

(ii) Reconciliation of total comprehensive income	Note	31 March 2017
Profit after tax as per previous GAAP		157.22
Ind AS adjustments		
Fair valuation of security deposit	A	-
Deferred tax, net	B	-
Remeasurements of post-employment benefit obligations	C	-
Expected credit loss on financial assets	D	-
Total adjustments		-
Profit after tax as per Ind AS		157.22
Other comprehensive income	E	-
Total comprehensive income as per Ind AS		157.22

A: Fair valuation of security deposits

Under previous GAAP, interest free lease security deposits that are refundable in cash on completion of the lease term were recorded at their transaction value.

B: Income tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS 12, Income Tax, requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base.

The application of Ind AS approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP.

C: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurement gains and losses on post employment benefit plan are recognised in other comprehensive income as compared to statement of profit or loss. Under the previous GAAP, interest expense/income on the net defined benefit liability/asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the previous GAAP.

D: Expected Credit loss

The provision is made against trade receivable based on "expected credit loss model as per Ind AS 109. Under I-GAAP the provision was made when the receivables turned doubtful based on the assessment on case to case basis.

E: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' comprise remeasurements of defined benefit plans. Under previous GAAP, Company has not presented other comprehensive income separately.

F: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.


G: Previous year figures have been regrouped

The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current year's classification.

For Narayanan Patil and Ramesh

ICAI Firm Registration Number : 0023955

Chartered Accountants

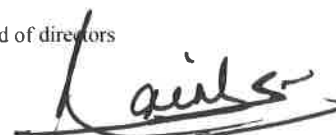

L R Narayanan
Partner
Membership No: 200/25588



For and on behalf of the board of directors



Ashok Kumar Nedurumalli
Director
DIN: 00151814



N. Ravi Vishwanath
Director
DIN: 07332234

Place: Bangalore
Date: May 15, 2018

Place: Bangalore
Date: May 15, 2018





INDEPENDENT AUDITOR'S REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF EVOLVE TECHNOLOGIES AND SERVICES PRIVATE LIMITED FOR CONSOLIDATION PURPOSES

To

The Board of directors

Evolve Technologies and Services Private Limited,

We have audited the accompanying standalone Ind AS financial statements which comprise the Balance Sheet as at March 31, 2018 and Profit and Loss Account including other Comprehensive Income for the period from 01 November 2017 to 31 March 2018 of Evolve Technologies and Services Private Limited ("the Company"), (herein after referred to as "standalone Ind AS financial statements"), which have been prepared for the purpose of inclusion in the consolidated Ind AS financial statements of TeamLease Services Limited, the Ultimate Holding Company for the year ended March 31, 2018.

Management's Responsibility for the Standalone Ind AS Financial Statements

For the above purposes, the Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) referred to in Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on



the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the internal financial controls over financial reporting. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements. These standalone Ind AS financial statements have been prepared solely to enable TeamLease Services Limited to prepare its consolidated Ind AS financial statements.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profits including other Comprehensive Income, its cash flows and the changes in equity for the period ended on that date.

Restriction on Use and Distribution

The standalone Ind AS financial statements have been prepared for purpose of inclusion in the consolidated Ind AS financial statements of TeamLease Services Limited for the year ended March 31, 2018.

**For Baheti & Somani LLP,
Chartered Accountants
FRN: 0124298W**

**Manish Somani
Partner
M.No. 111759**



**Place: Pune
Date: May 15, 2018**

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF EVOLVE TECHNOLOGIES AND SERVICES PRIVATE LIMITED FOR CONSOLIDATION PURPOSES

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 and Services Private Limited** ('the Company') as of March 31, 2018 in conjunction with our audit of the special purpose financial statements of the Company for the period ended and as 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 standalone 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

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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial controls over financial reporting 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For Baheti & Somani LLP
Chartered Accountants
FRN: 124298W


Manish Somani
Partner

M. No.: 111759

Place: Pune

Date: May 15, 2018



Evolve Technologies & Services Private Limited
 Standalone Balance Sheet as at 31 March 2018
 (All amounts in Rs.in lakhs, unless otherwise stated)

	Notes	<u>As at</u> <u>31 March 2018</u>
ASSETS		
Non-current assets		
Property, plant and equipment	4	201.89
Other intangible assets	5	66.80
Financial assets		
Loans	6	2.42
Deferred tax assets (net)	7	79.78
Income tax asset (net)	8	856.00
Total non-current assets		<u>1,206.88</u>
Current assets		
Financial assets		
Trade receivables	9	1,014.76
Cash and cash equivalents	10	23.71
Bank balances other than cash and cash equivalents	11	918.96
Other financial assets	12	1,275.37
Other current assets	13	81.91
Total current assets		<u>3,314.71</u>
Total assets		<u>4,521.59</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	14	351.83
Other equity	15	1,253.57
Total equity		<u>1,605.40</u>
LIABILITIES		
Non-current liabilities:		
Financial liabilities		
Borrowings	16	910.10
Long-term Provisions	17	45.10
Other non-current liabilities	18	126.62
Total non current liabilities		<u>1,081.82</u>
Current liabilities:		
Financial liabilities		
Borrowings	16	122.84
Trade payables	19	276.87
Other current financial liabilities	20	995.05
Provisions	18	3.47
Other current liabilities	21	436.14
Total current liabilities		<u>1,834.38</u>
Total liabilities		<u>2,916.20</u>
Total equity and liabilities		<u>4,521.59</u>

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

For and on behalf of the Board of Directors


 Amitoj Sethi
 Managing Director
 DIN: 1792178


 N. Ravi Vishwanath
 Director
 DIN: 07332234

Place: Pune
 Date: May 15, 2018

Place: Pune
 Date: May 15, 2018



Evolve Technologies & Services Private Limited

Standalone Statement of Profit and Loss for the period ended November 01, 2017 to March 31, 2018

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

	Notes	Period from November 01, 2017 to March 31, 2018
Income		
Revenue from operations	22	7,315.46
Other income	23	18.19
Total income		7,333.66
Expenses		
Employee benefits expense	24	6,234.93
Finance Costs	25	96.01
Depreciation and amortization expense	26	84.98
Other expenses	27	627.73
Total expenses		7,043.65
Profit before tax		290.01
Tax expense:		
Tax - Current tax (Including MAT)		5.20
Tax - Tax adjustment for earlier years		0.21
Del - Deferred tax	28	0.73
Deferred tax charge/ (credit)		0.73
Income tax expense		6.15
Profit for the period		283.86
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods:	30	
Remeasurement gains/(losses) of defined benefits obligation		(23.93)
Income tax effect		7.91
Other comprehensive income for the period, net of tax		(16.02)
Total comprehensive income for the period, net of tax		267.84
Earnings per equity share:		
Basic and diluted	29	8.07

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 AccountantsPer Manish Somani
Partner

Membership Number: 111759

Place: Pune

Date: May 15, 2018

For and on behalf of the Board of Directors

Amitoj Sethi
Managing Director
DIN: 1792178

Place: Pune

Date: May 15, 2018

N. Ravi Vishwanath
Director
DIN: 07332234

Evolve Technologies & Services Private Limited
Statement of Cash Flows for the period 01 November 2017 to 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2018
Operating activities		
Profit before tax		290.01
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment		75.43
Amortisation of intangible assets		9.55
Finance cost		96.01
(Gain)/loss on disposal of property, plant and equipment		1.78
Finance income (including fair value change in financial instruments)		(7.41)
Dividend income on mutual fund investments		(0.07)
Gratuity expense (net of reversals)		(21.67)
Leave Encashment		4.10
Bad debts / advances written off and provided for		1.45
Working capital adjustments		
(Increase)/decrease in trade receivables		(107.15)
(Increase)/decrease in loans		0.10
(Increase)/decrease in other financial assets		364.83
(Increase)/decrease in other assets		212.19
Increase/(decrease) in trade payables		(15.08)
Increase/(decrease) in other financial liabilities		(246.76)
Increase/(decrease) in other liabilities		116.05
Increase/(decrease) in provisions		(29.10)
		<u>744.25</u>
Income tax paid (including TDS) (net)		(435.00)
Net cash flows from operating activities		<u>309.25</u>
Investing activities		
Purchase of property, plant and equipment (including CWIP)		(11.83)
Purchase of intangible assets		(2.64)
Proceeds from sale of property, plant and equipment		1.78
Dividend income on mutual fund investments		0.07
Amount invested in fixed deposits (net)		(896.14)
Interest received		0.11
Net cash flows from / (used in) investing activities		<u>(908.65)</u>
Financing activities		
Proceeds from issue of equity share capital		-
Interest paid		(96.01)
Proceeds from Borrowings (net of repayments)		845.31
Net cash flows from / (used in) financing activities		<u>749.29</u>
Net increase / (decrease) in cash and cash equivalents		<u>149.89</u>
Cash and cash equivalents at the beginning of the period		(126.19)
Cash and cash equivalents at the end of the period		<u>23.71</u>

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: 11175



Place: Pune
Date: May 15, 2018

For and on behalf of the Board of Directors

Amitej Sethi
Managing Director
DIN: 1792178

N. Ravi Vishwanath
Director
DIN: 07332234

Place: Pune
Date: May 15, 2018



Evolve Technologies & Services Private Limited

Standalone Statement of Changes in Equity for the period from 01 November, 2017 to 31 March 2018

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

a. Equity share capital:**Issued, subscribed and fully paid share capital**

	Numbers	Amount (Rs.)
Equity shares of Rs. 10 each:		
At 1 November 2017	35,18,250	351.83
Additions during the period	-	-
At 31 March 2018	35,18,250	351.83

* Also refer note 14

b. Other equity

Particulars	Attributable to equity holders of the Company		Total other equity
	Reserves and surplus		
	Securities premium	Retained earnings	Total
For the period ended 31 March 2018			
As at 1 November 2017	13.38	972.36	985.73
Profit for the period	-	283.86	283.86
Other comprehensive income	-	(16.02)	(16.02)
Total comprehensive income	13.38	1,240.20	1,253.57
Less: Reversal on account of business transfer	-	-	-
As at 31 March 2018	13.38	1,240.20	1,253.57

* Also refer note 15

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



For and on behalf of the Board of Directors


 Amitoj Sethi
 Managing Director
 DIN: 1792178


 N. Ravi Vishwanath
 Director
 DIN: 07332234

Place: Pune

Date: May 15, 2018

Place: Pune

Date: May 15, 2018



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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 for the period November 01, 2017 till March 31, 2018 are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on May 15, 2018.

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).

The standalone financial statements of the Company for all the periods upto and including the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act. These standalone financial statements for the year ended March 31 2018 are the first the Company has prepared in accordance with Ind AS. Refer note 40 for information on how the Company adopted IND AS.

(ii) Historical cost convention

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

- Certain financial assets and liabilities measured at fair value as explained in the accounting policies below ;
- Defined benefit plans plan assets measured at fair value; and
- 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.

The standalone financial statements are presented in Indian Rupee and all values are rounded to nearest lakhs except when 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.

- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
- 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.
- 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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

3.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

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

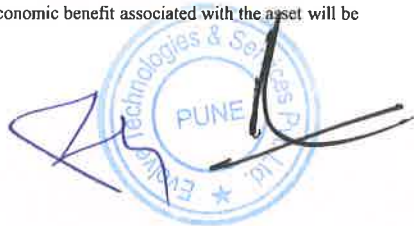
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each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



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

3.5 Leases

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.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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:

- 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
- 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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the 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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

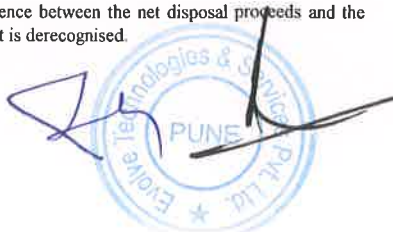
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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.

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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

(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.

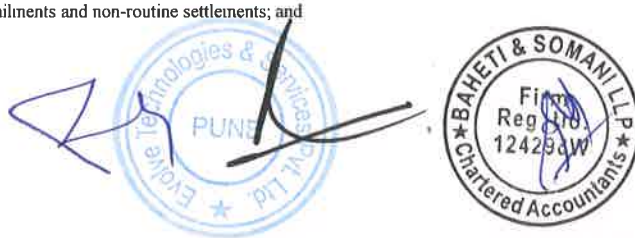
In addition to the above, the Company recognises its liability in respect of gratuity for associate employees and its right of reimbursement as an asset in accordance with Ind AS 19.

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



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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 30.

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 Standard issued but not yet effective

The standards issued, but yet not effective upto the date of issuance of the Company's financial statements are disclosed below.

The Company intends to adopt these standards when they become effective.

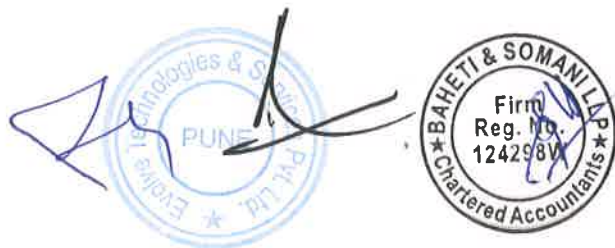
The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 with effect from 1 April 2018, which includes Ind AS 115 Revenue from contracts with customers, Appendix D to Ind AS 115 Service Concession Arrangements and Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration. Ind AS 11 Construction Contracts and Ind AS 18 Revenue will be omitted from 1 April 2018.

Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on 28 March 2018 and established a five step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirement under Ind AS. Either a full retrospective application or a modified application is required for annual periods beginning from 1 April 2018.

The Company is currently evaluating the requirement of the amendments and has not yet determined the impact on the financial statements.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

Note 4: Property, plant and equipment

	Computers	Plant & Machinery	Total
As at 31 October 2017	180.88	340.61	521.48
Additions	10.25	1.59	11.83
Disposals	(9.49)	-	(9.49)
As at 31 March 2018	181.63	342.19	523.83
Accumulated depreciation			
As at 31 October 2017	107.74	144.90	252.63
Charge during the period	28.43	47.00	75.43
Disposals	(6.13)	-	(6.13)
As at 31 March 2018	130.04	191.90	321.94
Net Block			
As at 31 October 2017	73.14	195.71	268.85
As at 31 March 2018	51.60	150.29	201.89

Note 5: Intangible assets

	Computer - Software	Software - Others	Total
As at 31 October 2017	15.71	78.13	93.84
Additions	2.64	-	2.64
Disposals	-	-	-
As at 31 March 2018	18.35	78.13	96.48
Accumulated amortisation			
As at 31 October 2017	8.33	11.80	20.13
Charge during the period	1.13	8.42	9.55
Disposals	-	-	-
As at 31 March 2018	9.46	20.23	29.68
Net Block			
As at 31 October 2017	7.38	66.33	73.71
As at 31 March 2018	8.89	57.91	66.80

*Refer note 40 for first time adoption of Ind AS for deemed cost exemption.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Financial assets

Note 6: Loans

Non-current

(Unsecured, considered good)

Other Deposits

31 March 2018

2.42

2.42

Current

Security deposit

Other Deposits

-

-

-

Note 7: Deferred tax assets/(liabilities)

Deferred tax assets/(liabilities)

31 March 2018

79.78

79.78

As at	Provision for bad and doubtful debts	Depreciation on fixed assets	Provision for leave encashment and gratuity	Others	Total
1 November 2017	8.26	40.75	23.58	-	72.59
Charge/(Credit):					
Profit and loss	0.48	9.65	(10.86)	-	(0.73)
Other comprehensive income	-	-	7.91	-	7.91
31 March 2018	8.74	50.41	20.63	-	79.78

Reconciliation of deferred tax (net)

Opening balance

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

Tax expense during the period recognized in OCI

Closing balance

31 March 2018

72.59

(0.73)

7.91

79.78

Note 8: Income tax asset (net)

Advance income tax (net of provision for taxation)

31 March 2018

856.00

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

Deferred tax (net)

Income tax expense reported in the statement of profit or loss

31 March 2018

5.20

0.73

5.93

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 2018

(16.02)

(16.02)

Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 9: Trade receivables

(Unsecured considered good unless other wise stated)

	<u>31 March 2018</u>
Trade receivables from related parties	-
Unsecured considered doubtful	
Trade receivables- others	1,539.38
Doubtful	26.45
	<u>1,565.82</u>
Less:	
Allowance for doubtful debts	(26.45)
Bill Discounted *	(524.62)
	<u>1,014.76</u>

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.

*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

	<u>31 March 2018</u>
Cash on hand	0.43
Balances with banks	
- In current accounts	23.27
	<u>23.71</u>

Note 11: Bank balances other than cash and cash equivalents

Deposits with remaining maturity of less than 12 months*	918.96
	<u>918.96</u>
Less : Amounts disclosed under other financial assets	-
	<u>918.96</u>

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

	<u>31 March 2018</u>
Cash on hand	0.43
Balances with banks	
- In current accounts	23.27
	23.71
Less: Bank overdraft	-
	<u>23.71</u>

*Fixed deposits of Rs 918.96 Lakhs as at 31 March 2018 is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties.




Note 12: Other financial assets

Current	<u>31 March 2018</u>
Interest accrued on fixed deposits	7.30
Unbilled Revenue	1,268.07
	<u>1,275.37</u>

Note 13: Other current assets

(Unsecured considered good unless other wise stated)

	<u>31 March 2018</u>
Prepaid expenses	58.42
Prepaid Interest	18.43
Balances with statutory/ government authorities	3.48
Loans and advances to employees	1.59
	<u>81.91</u>

Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 14: Equity share capital

	31 March 2018
Equity share capital	
(i) Authorised equity share capital	
40,00,000 (31 March 2017: 40,00,000, 1 April 2016: 40,00,000) equity shares of Rs. 10 each.	400.00
(ii) Issued, subscribed and fully paid-up shares	
35,18,250 Lakhs (31 March 2017: 35,18,250 Lakhs, 1 April 2016: 35,18,250 Lakhs) equity shares of Rs. 10 each.	351.83
Total issued, subscribed and fully paid-up shares	351.83

(iii) Terms/ rights attached to equity shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the shareholders	31 March 2018	
	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid		
TeamLease Digital Private Limited	3,518,250	100%

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Note 15: Other equity

	31 March 2018
Securities premium account	13.38
Retained earnings	1,240.20
	1,253.57
Securities premium	
Opening balance	13.38
Increase during the period	-
Closing balance	13.38
Surplus in the statement of profit and loss	
Opening balance	972.36
Net Profit/(Loss) for the period	283.86
Other comprehensive income recognised directly in retained earnings	(16.02)
- Remeasurement of post employment benefit obligation, net of tax	-
Closing balance	1,240.20
Revaluation reserve	
Opening balance	108.94
Less: Reversal on account of business transfer	(108.94)
Closing balance	-
Reserve & Surplus	
Opening balance	1,094.67
Increase / (decrease) during the period	175.39
Closing balance	1,270.06

* For the movement of other equity, also refer Statement of Changes in Equity

Nature and purpose of other reserves**(i) Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Revaluation Reserve

The revaluation reserve was utilised against the transfer of Land during slump sale from the Company to Evolve IT Solutions Private Limited.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

Note 16: Borrowings

	<u>Effective interest rate</u>	<u>Maturity</u>	<u>31 March 2018</u>
Non-current Borrowings			
Unsecured			
Loans and advances from Related Party -TeamLease Digital Private Limited	9%	On Demand	910.10
			<u>910.10</u>
Current Borrowings			
Unsecured			
Term Loan - HDFC Bank	9.30%	07.12.2018	122.84
			<u>122.84</u>

Note 17: Provisions

	<u>31 March 2018</u>
Non-current	
Employee benefits - Gratuity (Refer note 30)	38.66
Employee benefits - Leave Encashment	6.44
	<u>45.10</u>
Current	
<u>31 March 2018</u>	
Employee benefits - Gratuity (Refer note 30)	0.65
Employee benefits - Leave Encashment	2.82
	<u>3.47</u>

Note 18: Other non-current liabilities

	<u>31 March 2018</u>
Security Deposit Received	126.62
	<u>126.62</u>

Note 19: Trade payables

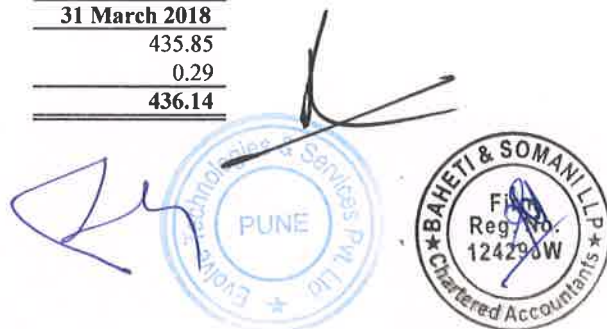
	<u>31 March 2018</u>
Current	
Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	276.87
	<u>276.87</u>

Note 20: Other financial liabilities

	<u>31 March 2018</u>
Current	
Employees Benefits Payable	995.05
Current maturities of long-term debt	-
	<u>995.05</u>

Note 21: Other current liabilities

	<u>31 March 2018</u>
Statutory dues payable	435.85
Other Liabilities	0.29
	<u>436.14</u>



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

	<u>31 March 2018</u>
Note 22: Revenue from operations	
(Net of taxes)	
Sale of Services	7,315.46
Sale of Products	-
Total revenue	<u><u>7,315.46</u></u>
Note 23: Other income	
	<u>31 March 2018</u>
Interest income on:	
Deposits with banks	7.41
Interest on Income Tax Refund	-
	<u>7.41</u>
Dividend income on mutual fund investments	0.07
Miscellaneous income	10.71
Total other income	<u><u>18.19</u></u>
Note 24: Employee benefits expense	
	<u>31 March 2018</u>
Salaries, wages and bonus	5,985.36
Gratuity expense (Refer note 30)	(21.67)
Leave Encashment	4.10
Contribution to provident fund and other funds	245.36
Staff welfare expenses	21.78
Total employee benefit expense	<u><u>6,234.93</u></u>
Note 25: Finance Cost	
	<u>31 March 2018</u>
Interest on loans	
Borrowings	87.25
Others	0.01
Interest paid to Related Party	8.76
	<u>96.01</u>
Note 26: Depreciation and amortisation	
	<u>31 March 2018</u>
Depreciation of property, plant & equipment	75.43
Amortization of other intangible assets	9.55
	<u><u>84.98</u></u>



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

	<u>31 March 2018</u>
Note 27: Other expenses	
Rent	447.79
Repairs and maintenance	3.68
Electricity Charges	3.60
Rates and taxes	4.15
Bank Charges	2.61
Communication	19.18
Consumables	5.40
Travelling and conveyance	7.52
Printing and stationery	0.65
Loss on sale of Fixed Asset	1.78
Legal and professional	8.68
Payments to auditors (Refer Note (i) below)	1.01
Provision for Bad and Doubtful Debts	1.45
Office Expenses	0.03
Miscellaneous expenses	0.47
Technical fees	91.67
Infra support charges	26.57
Foreign exchange loss (Net)	0.04
	<u>627.73</u>
Note: Payment to auditors	<u>31 March 2018</u>
As auditor	
Statutory audit fee	1.00
Tax audit fee	-
Certification	-
Reimbursement of expenses	0.01
	<u>1.01</u>
Note 28: Income tax assets	<u>31 March 2018</u>
Deferred tax :	
Decrease/(Increase) in deferred tax	0.73
Tax expense/(income) for the year	<u>0.73</u>
OCI section	<u>31 March 2018</u>
Deferred tax related to items recognised in OCI during the year :	
Net loss/(gain) on remeasurements of defined benefit plans	(23.93)
Income tax charged to OCI	<u>(23.93)</u>
Reconciliation of effective tax rate:	<u>31 March 2018</u>
Profit before tax	290.01
Tax using the Company's domestic tax rate @33.063% (March 31, 2017: 33.063%)	95.88
Tax effect of:	
Others	4.50
80 JJAA Deduction	(94.23)
Income tax expense/(income)	<u>6.15</u>
Note 29: Earnings per share	
The following reflects the income and share data used in the basic and diluted EPS computations:	<u>31 March 2018</u>
Profit/(Loss) attributable to equity shareholders (Rs. In lakhs)	283.86
Nominal value of each equity share	10.00
Weighted average number of equity shares outstanding during the period	3,518,250
EPS - basic and diluted (Rs.)	8.07



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

Note 30: 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 service and salary at retirement.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

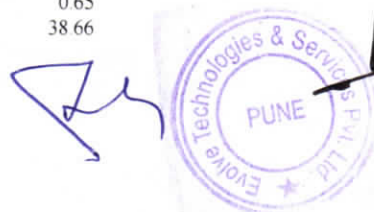
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds. If the plan assets underperform this yield, this will create a deficit. The Company maintains plan asset through insurance company.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Net defined benefit liability/ (assets)	31 March 2018
Present value of funded obligation	39.31
Fair value of plan assets	-
Net liability	39.31
Net benefit cost recognised in statement of profit and loss	31 March 2018
Current service cost	(22.67)
Past service cost	-
Interest cost on defined benefit obligation	1.00
Net benefit expense	(21.67)
Remeasurement loss/(gains) in other comprehensive income	31 March 2018
Particulars	
Due to change in demographic assumptions	21.71
Due to change in financial assumptions	(19.37)
Due to change in experience adjustments	21.59
Actuarial loss recognised in OCI	23.93

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

Particulars	31 March 2018
Defined benefit obligation at beginning of the year	37.05
Current service cost	(22.67)
Past service cost	-
Interest cost on defined benefit obligation	1.00
Benefits paid	-
Liability Transferred Out/ Divestments	-
Re-measurements	-
Actuarial (gain) / loss arising from changes in demographic assumptions	21.71
Actuarial (gain) / loss arising from changes in financial assumptions	(19.37)
Actuarial (gain) / loss arising from changes in experience adjustments	21.59
Defined benefit obligation at end of the year	39.31
	31 March 2018
Current	0.65
Non-current	38.66



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

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

	<u>31 March 2018</u>
Discount rate	7.18%
Salary escalation rate	5.00%
Attrition rate	51%
Retirement age	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 2018 are as

	<u>Discount rate</u>	<u>Salary escalation rate</u>	<u>Attrition rate</u>
	<u>31 March 2018</u>	<u>31 March 2018</u>	<u>31 March 2018</u>
1% increase	32.04	48.83	40.29
1% decrease	48.71	31.85	40.87

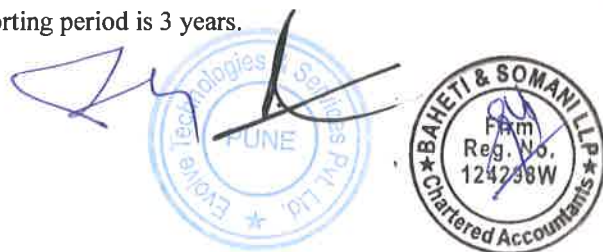
The sensitivity analyses above have been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions used at the end of the reporting period.

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

	<u>31 March 2018</u>
Year 1	
Year 2	0.65
Year 3	0.48
Year 4	0.60
Year 5	0.71
Next 5 years	0.85
	5.03

The Company expects to contribute Rs 0.65 Lakhs in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is 3 years.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

Note 31: Fair value measurements**Financial instruments by category and hierarchy**

Particulars	Amortised cost	31 March 2018	
		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	1,275.37	-	-
Total financial assets	3,235.21	-	-
Financial liabilities			
Trade payables	276.87	-	-
Other financial liabilities	995.05	-	-
Total financial liabilities	1,271.93	-	-

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.

Note 32: 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.

(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 currency risks.

(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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

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 provision matrix.

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial period that has not been provided for.

Assets under credit risk	<u>31-Mar-18</u>
Trade receivable	1,014.76
Loans to employees	1.59
Other financial assets	<u>1,275.37</u>
Total	<u>2,291.71</u>

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

Particulars	31-Mar-18
Opening balance	-
Amount provided/ (reversed) during the period	26.45
Closing provision	26.45

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.

As at 31 March 2018	<u>0-1 year</u>	<u>1-2 years</u>	<u>2 years and above</u>	<u>Total</u>
Bank Overdraft	122.84	-	-	122.84
Trade payables	276.87	-	-	276.87
Other financial liabilities	995.05	-	-	995.05
	<u>1,394.77</u>	<u>-</u>	<u>-</u>	<u>1,394.77</u>

Note 33: 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.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018

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

Note 34: Related party disclosure**(i) List of related parties and relationship:**

<u>Description of relationship</u>	<u>Names of the related parties</u>
a) Holding Company	TeamLease Digital Private Limited ('TDPL')
b) Ultimate Holding Company	TeamLease Services Limited ('TSL')
c) Key management personnel and their relatives	Mr. Amitoj Sethi Mr. Tilakraj Tandon Mrs. Shilpi Sethi
d) Enterprises where key Managerial Personnel or their relatives exercise significant influence (where transactions have taken place)	Evolve IT Solutions Private Limited ('ESPL')

(ii) Transactions with related parties

<u>Transactions with related parties</u>	<u>31 March 2018</u>
Acceptance of Loan	
Holding Company	
TDPL	950.10
Loan Repaid to	
Holding Company	
TDPL	48.76
Interest Expense on Loan from Holding Company	
TDPL	8.76
Key Managerial Personnel	
Mr. Amitoj Sethi	100.00
Mrs. Shilpi Sethi	1.63
Repayment of Loan	
Key Managerial Personnel	
Mr. Amitoj Sethi	100.00
Mrs. Shilpi Sethi	1.63
Consultancy/services charges paid	
Service charges	
TLSL	21.92
Enterprises where key Managerial Personnel or their relatives exercise significant influence	
Evolve IT solutions Pvt Ltd	39.37
Managerial remuneration (Refer Note 1 below)	
Key managerial personnel and their relatives	
Mr. Amitoj Sethi	11.67

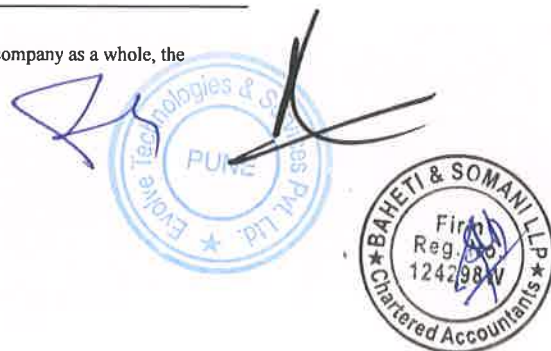
(iii) Outstanding balances as at period ended

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

	<u>31 March 2018</u>
Loans Payable	
Holding Company	
TDPL	910.00
Key Managerial Personnel	
Mr. Tilakraj Tandon	-
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	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
- Net of provision for diminution in the value of investments.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the period 01 November, 2017 to 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

Note 35: Commitments

(a) Other Commitments

Guarantees given by banks against fixed deposits as at 31 March 2018 Rs.36.08 Lakhs

Guarantees against fixed deposits	31 March 2018
Power Grid Corporation Of India Ltd	33.67
Chief Manager (C&M), Power Grid	1.87
The Assistant Commissioner Of Central Excise	0.54
Oriental Bank Of Commerce	-
Gujarat Medical Services Corp Ltd	-
Chief Manager (Telecom-C&M)	-
Total	36.08

Note 36: 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 period ranges between 1 year to 9 years. The lease rental charged during the period and obligation on the long term non-cancellable operating lease as per the lease agreement are as follows :

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

Note 37: The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2018.

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 2017 and will continue to avail the benefit during the year ended 31 March 2018 as well. As a result of this, the Company is required to pay MAT as per Section 115JB of the Income Tax Act, 1961.



Evolve Technologies & Services Private Limited

Notes to the standalone financial statements for the year ended 31 March 2018
(All amounts in Rs. lakhs, unless otherwise stated)

A. Note 39: First time adoption

For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with generally accepted accounting principle in India (Indian GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for year ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at April 01, 2016, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at April 01, 2016 and the financial statements as at and for the period ended March 31, 2017.

Exemptions and exceptions availed

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :

a) Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

b) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

c) Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 and as at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the impairment of financial assets based on expected credit loss model where the previous GAAP did not require estimate.

d) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets are made in accordance with Ind AS 109 Financial Instruments on the basis of facts and circumstances that exist at the date of transition to Ind AS.

e) De-recognition of financial assets and liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

For Baheti and Somani LLP

ICAI Firm Registration Number : 124298W

Chartered Accountants

Per Manish Somani

Partner

Membership Number: 111730



Place: Pune

Date: May 15, 2018

For and on behalf of the board of directors

Aparoj Sethi
Managing Director
DIN: 1792178

Place: Pune

Date: May 15, 2018

N. Ravi Vishwanath

Director

DIN: 07332234

