

December 20, 2018

<p>To Listing Department BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001</p> <p>Scrip Code: 539658</p>	<p>To Listing Department National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051</p> <p>Scrip Code: TEAMLEASE</p>
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Dear Sir/Madam

Sub: 18th Annual Report of the Company for the Financial Year 2017-18

Ref: Regulation 34 of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

With respect to the above mentioned subject and pursuant to the provisions of Regulation 34 of SEBI LODR Regulations, 2015, we hereby enclose the 18th Annual Report of the Company, for the Financial Year 2017-18, duly approved and adopted by the members, as per the provisions of Companies Act 2013 at the Annual General Meeting of the Company conducted on December 19, 2018 at Bangalore.

Request you to take the above said information on records and oblige.

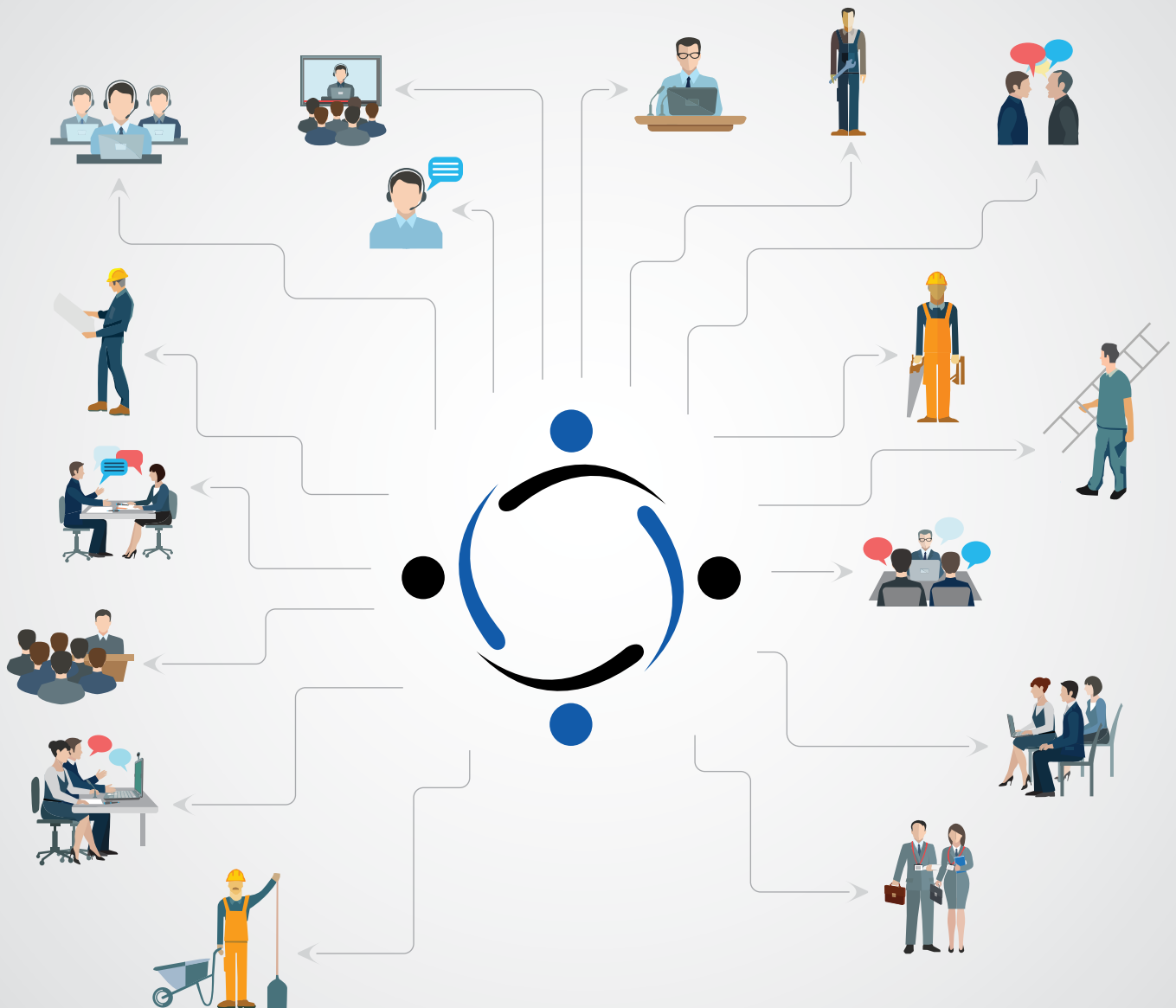
Thanking You

Yours Faithfully
For TeamLease Services Limited

Alaka Chanda
(Alaka Chanda)

Company Secretary and Compliance Officer
Encl: As above.





WHAT'S INSIDE

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Corporate Overview

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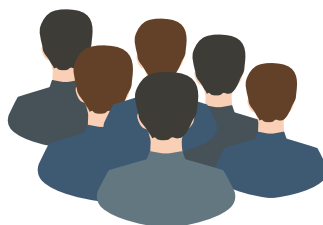
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1.82 lakhs+

Employees / Trainees across the country

Annual report



Aligning to the company philosophy of 'Putting India to work', the cover design portrays elements and infographics of working culture across diverse sectors.



PUTTING INDIA TO WORK

OUR STORY CONTINUES

We have always believed that a nation can only be as great as its people. When the people are learned, the nation is learned. When the people are productive, the nation is productive. And when the people are driven, the nation is driven. Hence, we have focused on India's development, by focusing on the people who will be instrumental in that development. Our staffing solutions have helped companies find the right people who can truly make a difference to their performance and results. And it has helped individuals find the right platforms to soar in their careers. By putting India to work, diligently and consistently, we have created value for our company, our stakeholders, our clients, and most importantly, our nation!



www.teamleasegroup.com/annual-reports

WE ARE TEAMLEASE

Incorporated in 2002, TeamLease Services Limited (hereinafter referred as TeamLease) is the market leader in the staffing solutions industry in India. We are one of the largest players in the organized sector for flexi staffing industry in India.

At TeamLease, we have always worked in the direction of our mission, 'Putting India to work'. We have also focused on our vision which constitutes of the 3Es, Employment, Employability and Ease of Doing Business (EODB). We aim to grow while providing our customers with the best experience across all our businesses.



2250+

Number of clients as on 31 March 2018

17 lakhs+

Candidates offered jobs till date

182000+

Employees / Trainees




12

Offices across India

• Cities

Ahmedabad	Kochi
Bangalore	Kolkata
Chennai	Lucknow
Delhi	Mumbai
Gurugram	Pune
Hyderabad	Vadodara

 Skills university

What we offer

We help our customers in finding the right people that suit their business requirements. Our service offerings include temporary staffing, recruitment, payroll processing, education, apprenticeship training and regulatory consulting of labour law compliance. With our recent acquisitions of IT & Telecom staffing companies, we have expanded into specialized staffing solutions.

Aligning with the recent government initiatives, we have also partnered with the Government of Gujarat to establish the first vocational university at Vadodara, namely TeamLease Skills University (TLSU). We believe with this we have positioned ourselves uniquely as an integrated staffing solutions company, present across the value chain.



Employment

According to a recent study by Indian Staffing Federation, more than 90% of India's workforce works in the informal sectors without proper benefits.

Generating employment and eradicating poverty was the vision with which our company was founded. Flexi-staffing is a solution that has helped generate employment for over a million people and we at TeamLease continue to pursue this as a key business objective.

The real problem

Our country's unemployment rate is 6.03%. However, here are some key issues affecting employment:

- The problem lies with most jobs in the country not paying enough to sustain living
- We have only 50 cities with more than a million people compared to China's 350
- More than 50% of our labor force work in agriculture generating only 17-18% of the country's GDP
- More than 90% of our labor force works informally

The solution

Flexi-staffing is an employment enabler, helping generate employment in accordance with changing dynamics. We find the right employees for the right employers, providing employment they are best suited for.

- With core staffing, specialized staffing and HR services (like recruitment, regulatory consulting and payroll processing), TeamLease is the largest organized staffing solution company in India
- We have our associates employees/trainees placed across multiple sectors, including retail, manufacturing and telecom among others
- With formalization of employment, our pan India presence has helped generate employment for more than 1.70 million people since our inception in 2002



Industry wise demand for temporary staffing in India (%)



Manufacturing	30%
FMCG and Retail	25%
BFSI	13%
Logistics and telecom	11%
IT/ITES	10%
Others	11%

Employability

At TeamLease we have hired a candidate every 5-minutes for the last five years. While we rejoiced at this fact, what put us in spot of bother was that we hired only 5% of the people who came to us for a job.

If we put this in perspective, it primarily highlights the major challenge that our country currently faces – employability. With changing technologies and business functioning, the world demands newer and newer skills as an essential aspect to employability.

We addressed the journey from 'unemployment to employment' by emphasising on employability. One, it helped us meet our clients' needs with placement of right candidate for right job; two, specialized training lead to right skill development for candidates, advancing their employability quotient, thereby leading to employment.

Our 'Labour Report' published and distributed annually has brought focus on issues that need serious attention.



What India needs...



Non-farm employment

More than 50% of our labor force work in agriculture generating only 17-18% of the country's GDP

Rural employment

More than 1 lakh villages out of 6 lakhs villages in India have less than 200 people. We need job creation in Tier-II and Tier-III cities

Organised employment

There are more than 90% of Indians working in unorganized sector

Higher employment income

More than 50% of population is engaged in low income self-employment. There is an urgent need to create jobs with high-sustainable income

Higher literacy

The increasing rate of drop-outs at school level moving into unorganised labour needs to be checked

...And how is TeamLease addressing these issues



Public Policy

In 2007 we were invited to be part of the Planning Commission to put forward our views on employment generation

Skill Development

TeamLease is actively involved at both the Central and State governments in matters relating to skill development

Indian Staffing Federation

We were the founding members of ISF in 2011 with organized staffing solutions gaining pace and recognition

Skills University

Gujarat State Assembly became the first state in the country to pass a bill recognizing vocational skill development as a key issue to be addressed for generating employment and thereby TLSU was established

NETAP

We always believed that Apprenticeship/on the job training was the answer to boost skill development at the ground level. 'Learning by doing and earning while learning' is the first step to skill development and resolves many employability issues.

PPP

Have worked in Public Private Partnership to manage employment exchanges for state governments

Ease of Doing Business

According to the World Bank, India was among the 10 economies that improved the most in areas measured by doing business. The Ease of Doing Business ranking of India improved from 130 in 2017 to 100 in 2018.



Payroll Processing

TeamLease has a well-established and robust payroll processing system that is a result of some of the best software tools, expert knowhow, IT infrastructure and a competent payroll team. We introduced our Payroll Outsourcing service in response to the needs of our customers. It has been designed to manage payroll of on-roll employees of our customers.

We provide following services under payroll processing.

- Salary and benefits structuring
- Payroll process
- IT Computation
- Pay registers



Digital Workforce Solutions

Emergence of new technologies such as AI, big data, analytics and robotics has promoted the use of intelligent technologies, automation tools, design thinking, digital learning and assessment solutions to get and organisation's workforce ready for the future.

Following are the benefits of Digital Workforce Solutions.

- Easily manage and control employee costs, business cyclicity, productivity and compliance requirements.
- Sourcing to Exit including the compliance.
- Deploy human capital in most efficient manner and increase productivity.



Regulatory Compliances

We are one of the largest and most compliant HR Service Providers. This helps us to be in a unique position to address the requirements of our clients in terms of domain of regulatory and labour law compliances.

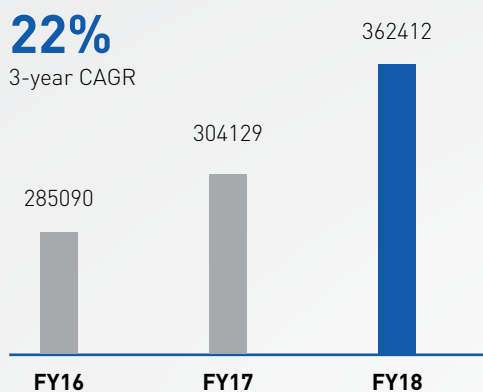
We provide the following regulatory compliance services to our clients:

- Consulting and Advisory Services
- Audit and assessment Services
- Maintenance Services
- Liaison Services

2017-18: A YEAR OF GROWTH

Revenue from Operations

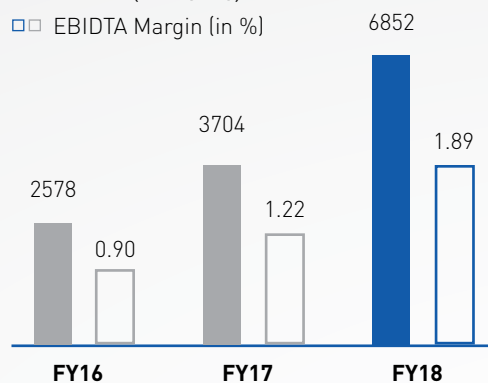
₹ in lakhs



EBIDTA & EBIDTA Margin

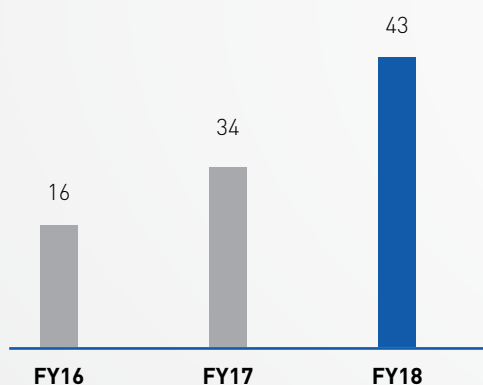
■ EBIDTA (₹ in lakhs)

□ EBIDTA Margin (in %)



EPS

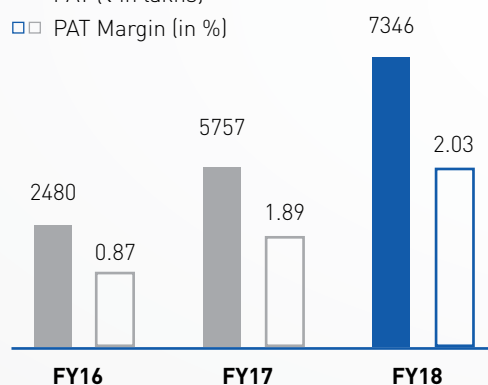
₹ per share



PAT & Net Profit Ratio

■ PAT (₹ in lakhs)

□ PAT Margin (in %)



In the Board Room

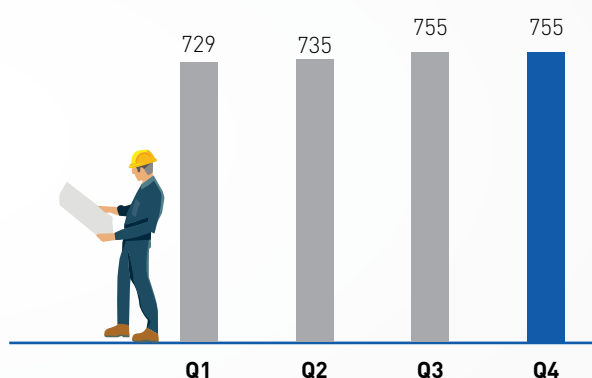
Acquired **30%** stake in Cassius Technologies Private Limited (Freshersworld.com) as at 1st June 2017

Acquired **100%** stake of Evolve Technologies and Services Private Limited (hereinafter referred as Evolve Technologies) as at 1st November 2017

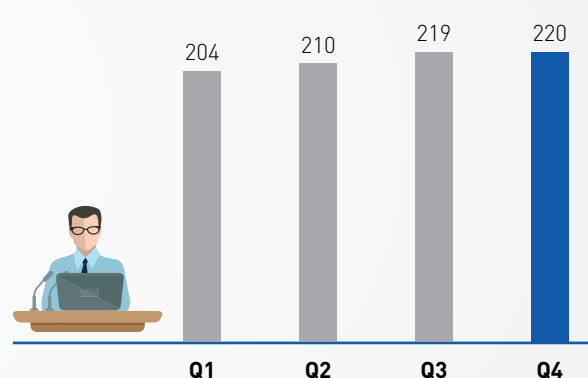
Acquired **40.2%** stake in Schoolguru Eduserve Private Limited (hereinafter referred as Schoolguru) as at 1st December 2017

Non-Financial Highlights

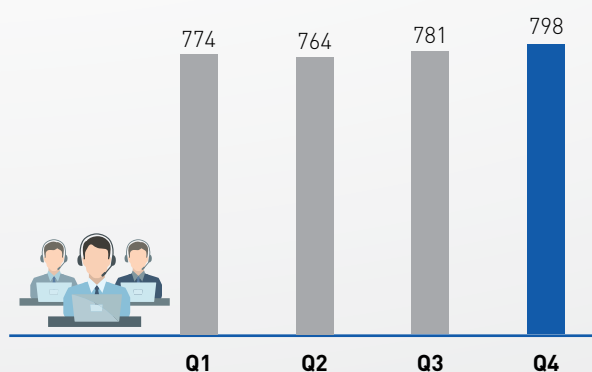
Average Mark-up per associate per month (in ₹)



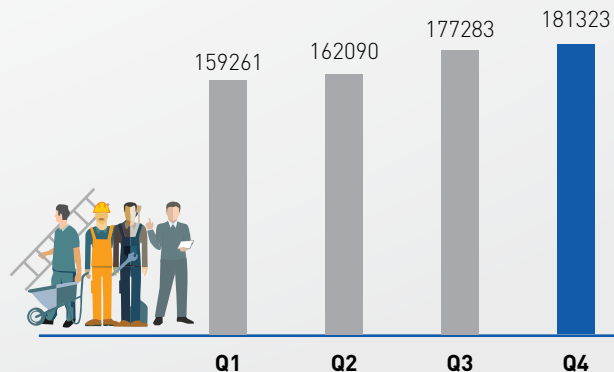
Associates to Staffing Core Employees (Ratio)



Staffing FTE head count



Total Associates/Trainees



MESSAGE TO OUR SHAREHOLDERS



Manish Sabharwal
Chairman

1,83,027

Number of Employees / Trainees

.....

3,62,412

Revenue (₹ in Lakhs)



Over the last year we made a number of acquisitions/ investments that bulked up an existing staffing industry vertical (IT), built a new specialized staffing vertical (Telecom), and raised our Digital Presence (Freshersworld and Schoolguru).

Dear Shareholders,

This year TeamLease completes 2 years as a listed entity and 18 years since incorporation. It has been interesting journey for the country, industry and company over both periods.

India's high headline GDP growth returned last year but the more important news may be the early results in the structural change agenda of formalization. The 50% increase in number of enterprises registered under GST relative to the previous indirect tax regime has huge implications for the country, firm productivity and formal employment because informal employment is the slavery of the 21st century. The multi-million increase in employer based social security receiving employees is an important indicator of the increased acceptance of the rule of law and a lower incidence of regulatory arbitrage in labour laws.

The staffing industry continues to benefit from India's accelerating five labour market transitions; farm to non-farm, rural to urban, subsistence self-employment to decent wage employment, informal employment to formal employment, and school to work. These factors are amplified by global changes in the notion of employment, the increased acceptance of flexible work, and overdue changes in the worlds of education and employability. We believe that the 3Es of employment,

ease of doing employability and business are converging at edges because the solutions to matching, repair and prepare require increasing co-operation. We believe that this creates unique opportunities for the staffing industry for adjacent offerings to customers that combine the core product with productivity enhancers.

The company continued to execute its core strategy of scale and transformation within the board agreed philosophies of capital frugality, policy advocacy, praying to the one god of employers, diversified client base across product, sector, region and company, B2B brand that signals trust, and India focus. TeamLease has a world view of being consistently warm rather than hot or cold that comes from our board's view that our multi-decade opportunity to provide the "infrastructure of opportunity" needs the company to take the long view in everything we do. Our long-term goal of margin expansion is continuously monitored through the lens of scale, adjacencies, higher unit realization, productivity, and digitization.

Over the last year we made a number of acquisitions/ investments that bulked up an existing staffing industry vertical (IT), built a new specialized staffing vertical (Telecom), and raised our Digital Presence (Freshersworld and Schoolguru). We expect the next years investment activity to continue our

focus on these three vectors though our preference is always for capital frugal organic growth.

While we expect these acquisitions to contribute to our financials in the coming year, our revenue for the year recorded a healthy growth of 19.16% and our profits before tax grew by 41.33% from ₹5150.59 lakhs in 2016-17 to ₹7279.11 lakhs in current year. We also saw an improvement in our PAT margin by 27.59%. Our EPS improved from ₹33.67 in 2016-17 to ₹42.96 in the current fiscal. We also improved our cash profit, which increased to ₹8261.43 lakhs in current year from ₹6367.51 lakhs in 2016-17.

Dumbledore told Harry Potter in Chamber of Secrets "It is our choices more than our abilities that reveal who we really are". Over the last year we are proud of the choices TeamLease has made. Our choices next year will continue to be guided by a continued focus on scale, margin expansion, and new products in adjacencies.

Wish us Luck.

Manish Sabharwal
Chairman

HOW ARE WE STRENGTHENING OUR BUSINESS MODEL

Database management



Since our inception, we have focused towards creating a database of employees. This proactive strategy has helped us build a foundation, enabling us to capture the employee details to match requirements of our clients. This has also helped us capitalize the rising trends and opportunities in the staffing solutions industry. With expansion in our business, the database we created became a key differentiator, combining well with our other operational functions to help generate value for stakeholders.

₹978.95 lakhs

Investment in information technology in last 3 years

Candidate pool



The trend towards flexi staffing solution has been increasing in India in recent years. Our clients realized that with rapidly changing industry dynamics, agility is the key for business sustainability. Keeping pace with our clients demand, we fuelled our candidate base, with aggressive recruitment. We expanded our sourcing channels by partnering with various portals, institutions, non-profit organizations and conventional advertisements.

10 million

Candidate pool as on March 31, 2018

Business sustainability



For most of our clients, sourcing is a Value Added Service. We charged a nominal fee as flexi staffing charge from our clients. Our investments in technology and infrastructure were key to our differentiation. Our clients realized the value we added in their business operations, and this has steadily helped us widen our business portfolio.

1.89%

EBIDTA margin in FY 2017-18

Efficiency in operations



In the initial years of our business three factors that lead to our business sustainability are rapid technological progress, talent scarcity and increased business operations across the country. The processes which were decentralized in early 2000s were eventually centralized in 2006. By 2006, we had a team of Centralized Operations (COPS) and Centralized Customer Support (CCS). This helped us to improve our efficiency in comparison to that of our competitors. The result: Zero lay-offs, more focus on front-end activities and increased scope to hire more employees.

2.03%

PAT margin in FY 2017-18

15.12%

3 year CAGR growth in productivity index

Business restructuring



Keeping true to our promise of 'Putting India to work', providing employment to people remained our core business objective. We strategically moved across the value chain of employment, and ensured 'education' and 'employability' aspects were also covered by us. Our recent acquisitions have further strengthened our business and widened our offerings. This restructuring in our business model has allowed us to generate employment even in modest economic environment.

41.33%

Growth in PBT in 2017-18 over 2016-17

Strengthening the employability quotient



NETAP is an on-the-job training programme that we run in partnership with CII, AICTE, and NSDC. NETAP is a programme offered by TeamLease Skills University where skills are provided to youth with the concept of learning by doing and earning while learning. We believe there is tremendous opportunity for this to be part of the solution of skill shortages and through NETAP we are helping the youth gain skills as they progress through their careers.

84%

Increase in number of NETAP candidates in FY 2017-18

Diversified portfolio



We realized our huge dependence over fewer clients was one of the reasons that our business was impacted during the global recession in 2008-09. We consciously made an attempt to diversify our exposure, both across verticals and horizontals. Our expansion into IT and telecom staffing solutions through strategic acquisitions has led us to building a sustainable business.

26.7%

Of revenues from top 10 clients in 2017-18

Adapting to regulatory tailwinds



Our unique positioning and market leadership puts us in the forefront in an evolving market landscape. The recent phase has witnessed the staffing industry move towards a more organized sector with the introduction of GST. The introduction of section 80JJAA in the Income Tax Act as tax benefits has only created a meaningful differentiation in the organized industry versus unorganized players.

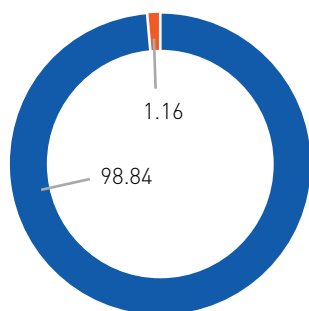
Delivering in

6600+

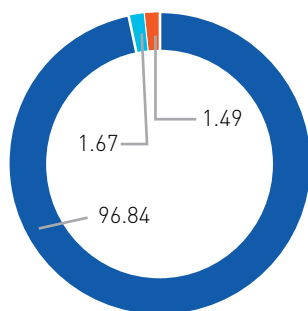
locations

PROVIDING DIVERSIFIED SOLUTIONS

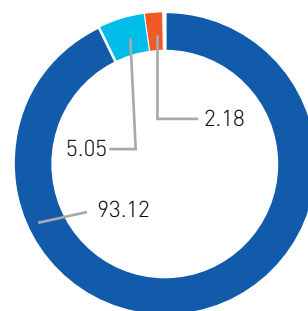
2016



2017



2018



● General Staffing and Allied Services ● Specialized Staffing ● Other HR Services

Our aspiration and objective of putting people to work continues to drive us. As the world advances on the foundation of technology, people remain at the heart of every business. At TeamLease, we remain committed to help our associates and candidates succeed in the changing workspace culture.

Employment



Temporary Staffing

We offer temporary staffing solutions to various clients from different industries and for different functional areas. Over the years we have progressed to be India's largest temporary staffing company. Majority of our temporary staffing employees are engaged in activities related to sales, logistics, and customer support functions. We provide temporary staffing solutions to 2250+ clients present across the country. We have an associate / trainee headcount of 1,75,375 people with a year-on-year increase of 17%.

Temporary staffing helps the employer to maintain a diversified pool of employees that can be redeployed at short notice with a change in business needs. It also helps them to reduce the pressure on their in-house HR management team and allows them to reduce the amount of fixed cost required.



Specialized Staffing

We entered Specialized staffing segment in September 2016 through different acquisitions. We started our journey into Specialized staffing through acquisition of ASAP Info Systems, which was ranked among top 15 IT Staffing companies of India. Over 2 years, we have acquired 3 more companies to expand our footprint in this segment. Currently, our revenue from Specialized staffing contributes 5.05% of our total revenue.

Permanent Recruitment

At TeamLease, our experience and knowledge helped us to efficiently understand and match the needs of the employers with that of the candidates. We provide permanent recruitment services to sectors such as BFSI, IT, manufacturing and other services. We help our clients to hire the best employees while charging them a one-time recruitment fees for each successful hire.

Employability



Institutional Learning Solutions

Under institutional learning solutions, we extend our services of training programs to different government agencies engaged in skill enhancements. We have also associated ourselves with employment exchanges to provide skill development solutions to different government organizations. We have provided training programs to various government agencies in past 3 years and have trained 51,982 students during the FY2017-18.

Ease of Doing Business



Payroll Processing

At TeamLease, we have a well established and robust payroll processing system which is a combination of some of the best software tools, expert know how, IT infrastructure and a strong payroll team. We introduced Payroll Process Outsourcing as a service to provide for various needs of our customers and a logical extension of our service portfolio. Our payroll processing services have been designed to account to cater specific needs of our customers that are required to manage payroll of their on-roll employees.

Digital Workforce Solutions

With the emergence of new technologies such as AI, big data, analytics and robotics, connected workforce has started gaining prominence. The HR and recruitment service industry, which is an important part of HR ecosystem, saw the impact of going digital much before the HR functions within organisations. This promoted the use of intelligent technologies, automation tools, design thinking, digital learning and assessment solutions to get an organisation's workforce ready for the future. The global HR and recruitment service industry is worth over \$600 billion. The HR software market is estimated to be over \$10 billion and various segments within this market are expected to grow by double digits.

Regulatory Compliance Service

Complying with all the rules and regulations laid down by different regulators is important for all companies. We offer our clients with compliance consultancy services for labour laws. We provide consultancy for labor and staffing compliances, as well as other corporate and legal compliances centered around labour laws.

TRANSFORMING THROUGH TECHNOLOGY

At TeamLease, technology has always been an important part of our business as it is the key enabler for both our core staffing business as well as non-staffing business. Our team of software engineers constantly develop new technologies that can be leveraged to enhance client and candidate experience and improve productivity as well.

₹978.95 lakhs

Investment towards technological development in last three years

85000

Associates using TeamLease HR app

100%

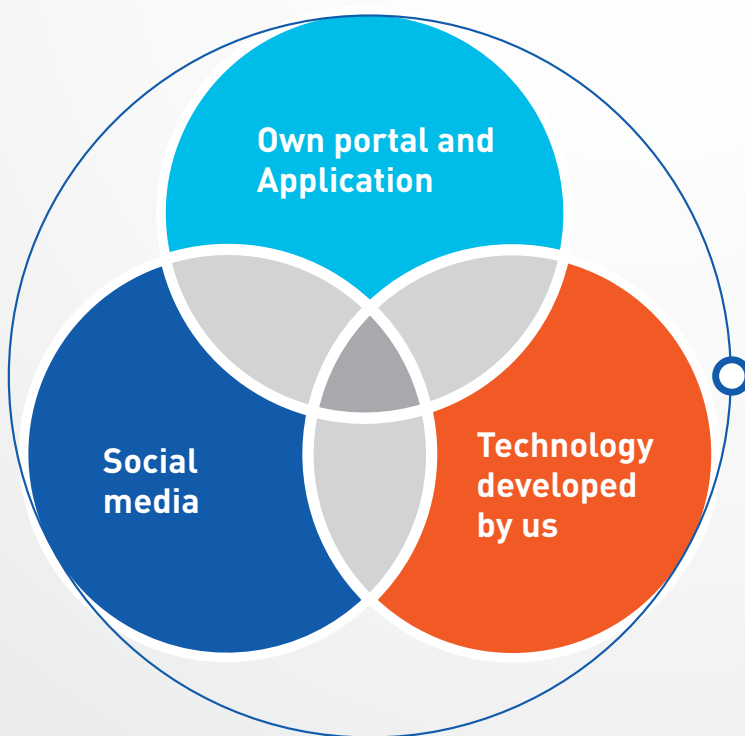
Increase in portal visits over 2016-17

1.5 lakh

Downloads of TeamLease app across Android and iOS platform till date

8.37%

Year on year increase productivity ratio



Our Digital Strategy

Own portal and App

Easily available on different places, Efficient in nature, India's first mobile HR app

Key software applications developed by us

ALCS, CLCS, RLCS, COMS, TLCS

Social Media

Facebook, Twitter, LinkedIn, Instagram, Youtube, Google Plus

Software applications developed by our in-house team

Associate life cycle System (ALCS)

Our technology team launches the annual version of ALCS to reflect the significant upgrades made in it. The system is upgraded to achieve increasing levels of automation into the business process. The primary objective of version 10.0 is to reduce the time taken in processing of approximately 1,00,000 payroll records across 1,252 clients.

Regulatory Life Cycle System (RLCS)

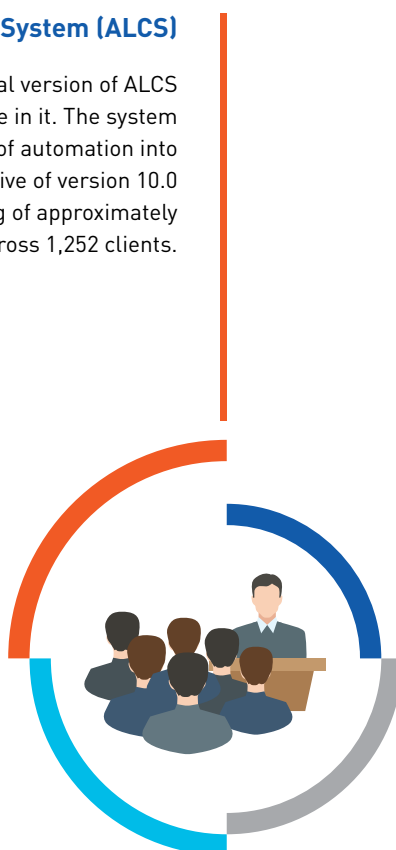
RLCS is used to manage the consulting process of regulatory compliances. The system has an embedded store of all relevant and important labor laws of India. It is well-designed to accept data on client's inputs, perform automatic audits for client's regulatory reports and finally generate the report. RLCS currently work on version 7.0.

Center Operation Management Systems (COMS)

COMS has been developed to manage the learning solutions business. It is a Microsoft systems based technology platform that manages the operations of the LS business. COMS helps to manage various activities ranging from tracking courses and classes to collecting royalties from franchisees.

Candidate Life Cycle System (CLCS)

We use CLCS is for our permanent recruitment and sourcing for our staffing business. It is a Microsoft system based platform that automates the candidate life cycle to process the job requirements given by clients, to registering mandates, searching for matching candidate using artificial intelligence, sending candidate profiles to clients, processing client shortlist of candidates, tracking interviews and raising invoices in case of permanent recruitment or transferring it to the ALCS system if it is for temporary staffing. It is currently operates on version 3.1 and the objective of version 4.0 is to create market place for job seekers.



BOARD OF DIRECTORS



“Management is about persuading people to do things they do not want to do, while leadership is about inspiring people to do things they never thought they could.”

- Steve Jobs

Manish Mahendra Sabharwal

is a co-founder and the Executive Chairman of our Company. He holds a bachelor's degree in commerce from the Shri Ram College of Commerce, Delhi University and master's degree in management from The Wharton School, University of Pennsylvania. He provides leadership at the Board level and sets our strategies and directions. He is also our chief external spokesperson.

In 1996 he co-founded India Life Pension Services Limited, a payroll and pension services company that was acquired by Hewitt associates in 2002. He also serves on various state and central government committees on education, employment and employability. He is currently a nominated member of the Central Advisory Board of Education – the highest advisory body to advise the Central and State Governments in the field of education. Additionally, he serves on the executive committee of the chief minister's advisory council, planning department of the Government of Rajasthan. He is also part of the expert committee on innovation (Niti Aayog). He is also a part time non-official director on RBI's Central Board, appointed for a 4-year term w.e.f. February 09, 2017.

Ashok Reddy

is a co-founder and currently the Managing Director and Chief Executive Officer of our Company. He oversees our operations and represents our company in forums with major clients. He holds a bachelor's degree in commerce from the Shri Ram College of Commerce, Delhi University and a diploma in management from Indian Institute of Management, Bengaluru. Prior to his current position, he was a co-founder and director of India Life Pension Services Limited, a payroll and pension services company that was acquired by Hewitt associates in 2002. He has been awarded the "Skills Champion of India" award in the category of Skills Champion: Emerging Warrior for his outstanding contribution to the field of skills development.

**Latika Pradhan**

is an Independent Director of our Company. She is a qualified chartered accountant, cost and management accountant, company secretary and bachelor of laws, with an experience spanning over 35 years in various industries, heading finance, legal and secretarial, internal audit and information technology functions. She is also an independent director on the board of Mafatlal Industries Limited. In the past, she has been associated with Voltas Limited, Blue Star Limited, Cummins Group, Parke Davis India Limited and Pidilite Industries Limited in various capacities. She has been an Independent Director of our Company since July 09, 2015.

**Narayan Ramachandran**

is an Independent Director of our Company. He holds a management degree from University of Michigan, Ann Arbor, B. Tech from IIT, Mumbai and Certified Financial Analyst from USA. He has wide experience of over 23 years in the areas of finance and banking across geographies. He was the First Indian to co-head the Global Emerging Markets division of Morgan Stanley. He was also the CEO and Country Head of Morgan Stanley in India. He was instrumental in establishing several new businesses in India including Morgan Stanley's NBFC and primary dealership entities. He has been an Independent Director of our Company since July 09, 2015.

**V. Raghunathan**

is an Independent Director of our Company. He is an academic, corporate executive, author and columnist and a hobbyist and features among the top 50 Global Indian Management Thinkers of Thinkers Magazine, 2013 and 2014. He was conferred the title of fellow of the Indian Institute of Management, Calcutta, in the field of finance and control. He was a professor at the Indian Institute of Management, Ahmedabad, for nearly two decades, until 2002. Since January 2005, he has been the chief executive officer of GMR Varalakshmi Foundation. He has authored several books and currently also blogs for the Times of India. He has been an Independent Director of our Company since July 09, 2015.


AWARDS AND ACHIEVEMENTS



TeamLease Services was presented the ABP News Porter Prize for Industry Architectural Shift. Mr. Ashok Reddy, co-founder, TeamLease Services, received the award on behalf of the company.



Rituparna Chakraborty, EVP of TeamLease Services Limited, received Telstra's Business Woman Award. "Putting India to work has been a big challenge but it also represents a huge opportunity for me to transform the labour force of India. We need more women in leadership to influence change in the country" - Rituparna Chakraborty

 TeamLease Services Limited is ranked No.1 for Independent Provident Fund

CORPORATE INFORMATION

Audit Committee

Latika Pradhan, Chairperson
Narayan Ramachandran
V Raghunathan

Nomination and Remuneration Committee

Narayan Ramachandran, Chairman
Latika Pradhan
V Raghunathan

Stakeholders Relationship Committee

V Raghunathan, Chairman
Ashok Reddy
Manish Mahendra Sabhrawal

Corporate Social Responsibility Committee

V. Raghunathan, Chairman
Manish Mahendra Sabharwal
Ashok Reddy

Chief Financial Officer

N. Ravi Vishwanath

Company Secretary

Alaka Chanda

Statutory Auditors

S R Batliboi & Associates LLP
 Chartered Accountants
 Level 12, Canberra Block, UB City, 24,
 Vittal Mallya Road
 Bangalore – 560 001, India

Internal Auditors

Grant Thornton India LLP
 65/02, Bagmane Tridib, Block A
 Bangalore 560 093, India

Bankers

Axis Bank | Bank of India
 Canara Bank | Citi Bank
 Federal Bank | HDFC Bank
 IDBI Bank | ICICI Bank | IndusInd
 Bank | Kotak Mahindra Bank |
 State Bank of India

Shares are listed with

National Stock Exchange of India
 Limited | BSE Limited

Registrar and transfer agents

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32
 Gachibowli, Financial District
 Nanakramguda, Hyderabad 500 032
 Telangana, India
 Tel: +91 40 6716 2222,
 Fax: +91 40 2300 1153
 Email: einward.ris@karvy.com
 Website: www.karisma.karvy.com

Registered office

6th Floor, BMTC Commercial Complex,
 80 Ft Road, Koramangala, Bangalore,
 Karnataka - 560095, India
 Tel: + 91 80 33002345
 Fax: + 91 80 33243001
 Email: corporateaffairs@teamlease.com
 Website: www.teamleasegroup.com

Corporate Identity Number

L74140KA2000PLC118395

Branch offices

Ahmedabad | Delhi | Pune | Kolkata
 | Mumbai | Hyderabad | Chennai

BOARD'S REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting the Eighteenth (18th) Annual Report of your Company on business and operations along with the audited Standalone and Consolidated Financial Statements and the Auditor's Report for the year ended March 31, 2018. Consolidated performances of the Company, its subsidiaries and associate companies have been referred to wherever required.

Financial Highlights

₹ in Lakhs

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	362,411.54	304,129.41	344,074.08	299,025.35
Other Income	1,563.39	2,166.87	2,438.05	2,337.41
Total Income	363,974.93	306,296.28	346,512.13	301,362.76
Profit before finance cost, depreciation, amortisation and taxes	8,441.62	5,870.77	7,545.42	5,374.37
Depreciation and Amortisation	915.84	610.47	372.34	398.94
Profit before Finance Cost and Taxes	7,525.78	5,260.30	7,173.08	4,975.43
Finance Cost	246.67	109.71	110.22	88.68
Profit before share of profit/(loss) from associates	7,279.11	5,150.59	7,062.86	4,886.75
Share of (loss)/ profit from associates	(25.74)	-	NA	NA
Profit before tax	7,253.37	5,150.59	7,062.86	4,886.75
Income Tax (credit)/expense	(92.22)	(606.45)	(192.84)	(67.60)
Net Profit for the year	7,345.59	5,757.04	7,255.70	4,954.35
Other Comprehensive Income/(Loss) for the year	23.06	45.54	18.90	8.02
Total Comprehensive Income for the year	7,368.65	5,802.58	7,274.60	4,962.37
Earnings Per Equity Share of ₹ 10 each:				
-Basic & Diluted (in ₹)	42.96	33.67	42.44	28.98

Standalone and Consolidated Financial Statements

The Standalone and Consolidated Financial Statements of your Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015.

Associate employees of ~151,000 (including the NETAP trainees of ~23,000). Your Directors express their satisfaction on the overall financial performance and the progress made on different areas by the Company during the year under review.

Review of Business Operations and Future Prospects

Your Directors wish to present the details of Business Operations done during the year under review:

The Company's revenue from operations for the year ended March 31, 2018 on a consolidated basis increased to ₹362,411.54 lakhs from ₹304,129.41 lakhs during the previous year. The Company achieved an EBITDA (including other income) of ₹8,441.62 lakhs during the current year as against the previous year EBITDA (including other income) of ₹5,870.77 lakhs. The net profit after tax of the Company for the year ended March 31, 2018 was ₹7345.59 lakhs as against the previous year profit after tax of ₹5757.04 lakhs. Net profit for the year was positively impacted by the organic growth and the contribution from recently acquired subsidiaries.

Number of associate employees as on the date of close of financial year of the company was ~181,000 (including the NETAP trainees of ~43,000) as against the previous year

The Company has the policy on the employment diversity which states the equal opportunity to everyone without any discrimination of gender, region, caste or religion.

Dividend and Reserves

Your Directors would like to use the profits earned for purpose of enhancing business and hence do not propose any dividend for the financial year under review. No amount has been transferred to reserves and the profit for the year has been retained in the surplus forming part of the reserves of the Company.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There were no unpaid/unclaimed dividends declared and paid in previous years and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

Subsidiaries, Joint Ventures and Associate Companies

Your Company has formulated a Policy for determining 'Material' Subsidiaries pursuant to the provisions of SEBI Listing Obligation and Disclosure Requirement (LODR) Regulations, 2015. The said Policy is available on the Company's website <https://www.teamleasegroup.com/policy-documents>.

The Company has 5 direct and indirect subsidiaries and 2 Associate Companies as on March 31, 2018. The Company does not have Joint Venture with any company. During the year under review, the following subsidiary was acquired:

1. Evolve Technologies & Services Private Limited (Evolve)

The following is the list of Associate Company(ies) wherein investments are made during the year:

1. Cassius Technologies Private Limited
2. School Guru Eduserve Private Limited

The details of major subsidiaries and associates are given below.

IIJT Education Private Limited (IIJT) is a wholly owned subsidiary of the Company. During the year under review, the Company had leased out its property and the income for the Company was from the lease rent received on property.

TeamLease Education Foundation (TLEF) is a Section 8 Company [Originally registered under Section 25 of the Companies Act, 1956]. TLEF is the sponsor of the TeamLease Skills University ("TLSU"), the country's first Skills University, established under the provisions of the Gujarat Private Universities Act, 2009.

TLSU, a Public-Private Partnership, with the Government of Gujarat, was among the few Universities selected by the United Kingdom Education Research Initiative (UKERI). In terms of the said initiative, the University has received grants that are to be utilized for faculty development.

TLEF is a National Employability Enhancement Mission ('NEEM') Agent as approved by the All India Council for Technical Education (AICTE). NEEM is an employability initiative of the Ministry of Human Resource Development, Government of India. TLEF has operationalized the NEEM initiative as National Employability through Apprenticeship Programme (NETAP) through TLSU.

TLEF, being a wholly owned subsidiary, is provided financial support by your Company till the operations stabilize. The loan advanced to this subsidiary is at arm's length and will be charged with the appropriate rate of interest. TLEF, has in-turn, advanced monies to TLSU and the same is interest bearing.

TeamLease Digital Private Limited [Formerly known as TeamLease Staffing Services Private Limited] (TDPL) was incorporated under the provisions of Companies Act, 2013 for

the purpose of entering into the IT staffing business. TDPL is wholly-owned subsidiary of your Company.

During the year, the Company acquired Evolve Technologies & Services Private Limited (Evolve), IT and telecommunication staffing Company. The Company was acquired as a step-down subsidiary of your Company through TDPL w.e.f. November 01, 2017.

ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited, wholly owned subsidiaries of TDPL have been merged into TDPL vide approval of NCLT Chennai dated November 30, 2017 and NCLT Mumbai dated November 16, 2017. Subsequent to the merger, the name of TeamLease Staffing Services Private Limited was changed to TeamLease Digital Private Limited w.e.f. March 08, 2018.

Keystone Business Solutions Private Limited (Keystone) is engaged in the business of providing information technology staffing solutions and consulting.

Evolve Technologies & Services Private Limited (Evolve) is wholly-owned subsidiary of Company through TDPL w.e.f. October 31, 2017. Evolve is engaged in the business of staffing (predominantly temporary staffing) to clients in Telecom and IT sector.

Cassius Technologies & Services Private Limited ("Freshersworld") was an Associate Company w.e.f. June 01, 2017 with an investment of 30% stake in Freshersworld. Your Company further acquired additional 21% stake and pursuant to such an investment, Freshersworld becomes subsidiary Company w.e.f. August 01, 2018. The Bangalore headquartered Freshersworld (www.freshersworld.com) is the leading job site for entry level hiring in India with about 4 million unique visits every month. It has a database of 1 crore+ resumes with over 2 lakh resumes added every month. Freshersworld dominates its competitors in fresher hiring segment with an organic traffic of over 90% and is ranked among the Top 5 hiring portals in India in terms of traffic (per Alexa). It has over 60,000 registered employers/ recruiters with 4,000 subscribed customers and conducts 100+ virtual recruitment drives every month. Freshersworld is one of the very few online portals with positive margins and operating cashflows.

Schoolguru Eduserve Private Limited is an Associate Company w.e.f. December 01, 2017. Established in 2012, it is India's premier technology-led specialized academic services organization. The company partners with Indian Universities to help them provide premium online and virtual courses for their students. Schoolguru solicits partnerships only from State / Central universities that are either an Open University (meant to run Distance Education Programs only) or have a significant Distance Education activity. Their managed technology platform provides all the components that a University may need to run their Information and Communication Technology services for their students ranging from the hosting platform, the underlying ERP, admission and fee management, the content, the streaming services, student engagement and

communication, student servicing and the expertise to manage the platform. The platform is mobile native and is designed to adopt innovations in machine learning, multi-reality, and analytics to offer personalized and effective learning to millions.

A report on the performance and financial position of the subsidiary companies as per the Companies Act, 2013 in the Form AOC-1 is annexed to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

Management Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the SEBI LODR, Regulations 2015 the Management Discussion and Analysis is set out in this Annual Report.

Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance as prevalent globally. We have implemented several best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions. Corporate Governance Report for FY 2017-18 forms part of this Annual Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under SEBI LODR Regulations 2015 is annexed to the Corporate Governance Report.

Deposits

Your Company has not accepted any deposit and as such no amount of principal and interest were outstanding as at the Balance Sheet date.

Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI LODR Regulations 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI LODR, Regulations 2015 the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various committees. A

structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, independence, governance, ethics and values, adherence to corporate governance norms, interpersonal relationships, attendance and contribution at meetings etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as participation and contribution by a Director, commitment, including guidance provided to the senior management outside of Board / Committee meetings, effective deployment of knowledge and expertise, effective management of relationship with various stakeholders, independence of behaviour and judgement etc. The Performance Evaluation of the Independent Directors was carried out by the entire Board. The Performance Evaluation of the Chairman and Managing Director was carried out by the Independent Directors. The evaluation process has been explained in the Corporate Governance Report. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

Committees of the Board and Committees

Currently, the Board has four Committees i.e., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. As required under the provisions of Section 177(8) of the Companies Act, 2013, the composition of the Audit Committee is disclosed as under:

Mrs. Latika Pradhan	Chairperson (Independent Director)
Mr. Narayan Ramachandran	Member (Independent Director)
Mr. Raghunathan V	Member (Independent Director)

A detailed note on the composition of the Board and other Committees is provided in the Corporate Governance Report section of this Annual Report.

Meetings of the Board

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance. The schedules of the meetings are circulated in advance, to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through circulation.

The Board during the financial year 2017-18 met five times. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board are included in the report on Corporate Governance, which forms part of the Board's Report.

Auditors

Statutory Auditor

As per the provisions of Section 139 of the Companies Act 2013, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration Number 101049W/E300004), Bangalore were appointed as Statutory Auditor of the Company in the Annual General Meeting held on July 07, 2017 subject to ratification at every subsequent Annual General Meeting.

Pursuant to Notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending Section 139 of the Act, the mandatory requirement for ratification of appointment of Statutory Auditor by the Shareholders at every AGM has been omitted. Accordingly, the yearly ratification of appointment of the Statutory Auditor would not be done at every intervening Annual General Meeting as the requirement has been removed in the Companies Act, 2013.

The Auditors' Report on the Financial Statements of the Company for the year ending March 31, 2018 is unmodified i.e. it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the Financial Statements forming part of the Annual Report.

Secretarial Auditors

Section 204 of the Companies Act, 2013, inter-alia, requires every listed company to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board of Directors appointed M Siroya & Company, Practicing Company Secretaries, as Secretarial Auditor to conduct the Secretarial Audit of the Company for financial year 2017-18 and their report is annexed to this Board Report as Annexure-I. The Board has also appointed M Siroya & Company as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2018-19.

Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports

In connection with the Statutory Audit of the financial statements for the year under review, there was no qualification, reservation or adverse remark in the report by the Statutory Auditor, save and except disclaimer made by them in discharge of their professional obligation.

No frauds are reported by the Statutory Auditor under sub section (12) of Section 143 of the Companies Act, 2013.

Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the Report.

No material changes and commitments have occurred after the closure of the financial year 2017-18 till the date of this Report, which would affect the financial position of your Company.

Extension of 18th Annual General Meeting

Your Company had made an application to the Registrar of Companies, Mumbai for the extension of due date for holding the 18th Annual General meeting of the Company for the financial year ended March 31, 2018 on August 21, 2018 and the Registrar of Companies, Mumbai vide the Order dated September 11, 2018 granted the approval for extension of holding the Annual General Meeting of the Company by two months from due date. Therefore the Annual General Meeting of the Company for the financial year ended March 31, 2018 was scheduled to be held on or before November 30, 2018.

Your Company has further made an application to the Registrar of Companies, Mumbai on October 25, 2018 for extension of additional 1 month for holding AGM. which is expected shortly as on date of signing this Report.

Shifting of Registered Office of the Company

The members of the Company have approved the shifting of the Registered Office of the Company from the State of Maharashtra to the State of Karnataka i.e., from "Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra - 400051" to "6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore - 560095". The Company has received order from Regional Director, Western Region on October 25, 2018 and filed the same respective authority as on October 27, 2018. The Company is yet to file Form INC-22 as on date of signing this Report subject to approval of Form INC-28 as on date.

Acquisition of additional 21% stake in Cassius Technologies Private Limited

Your Company has made an additional investment of 21% stake in Cassius Technologies Private Limited and pursuant to such an investment; Cassius becomes subsidiary Company w.e.f. August 01, 2018. The Company as on date of report holds 51% equity stake in Cassius.

Agreement to acquire stake in Avantis Regtech Private Limited

Your Company has signed a definitive agreement under which the Company will invest ₹700 lakhs in Avantis Regtech Private Limited ("Avantis"). Avantis has deep expertise in Governance, Risk and Compliance Automation and has helped hundreds of organisations migrate from manual and people dependent processes to automated, framework based solutions. It has credibility across large enterprises and SMEs with implementations across 29 states and 7 union territories in India with quick and easy on-boarding and a Mobile App based compliance tracking and management. Avantis's SAAS (Software as a Service) Platform covers over 1200 Acts and over 55,000 compliances in India. Avantis's strong compliance assessment and research capabilities leverage cutting edge technologies such as Artificial Intelligence (AI), Machine Learning (ML) and Optical Character Recognition (OCR).

Amalgamation of Wholly Owned Subsidiary Companies and Name Change

ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited ("Nichepro") merged with TeamLease Digital Private Limited (formerly TeamLease Staffing Services Private Limited) ("TDPL") vide approval of NCLT Chennai dated November 30, 2017 and NCLT Mumbai dated November 16, 2017. Subsequent to merger, name of TeamLease Staffing Services Private Limited was changed to TeamLease Digital Private Limited w.e.f. March 08, 2018.

Acquisition of Companies / Investment in Associates

During the year under review, your Company has acquired 100% stake in Evolve Technologies & Services Private Limited ("Evolve"), an IT and telecommunication staffing Company through its wholly owned subsidiary, TeamLease Digital Private Limited. The control got transferred on November 01, 2017.

The Company also made investments in two Associate Companies with direct investment of 30% in Cassius Technologies Private Limited for ₹600 lakhs and 22.19% equity

stake in Schoolguru Eduserve Private Limited for ₹750 lakhs. The Company also subscribed to the Compulsory Convertible Preference Shares (CCPS) of School Guru to an extent of ₹1350 lakhs.

As on the date of reporting, the business integration of the acquired companies with the holding Company has been completed and all the financial data of these companies have been considered in the audited Consolidated Financial Statements of the Company for the year ended March 31, 2018.

Utilisation of IPO Proceeds

The proceeds of the IPO were to be utilised for funding existing and incremental working capital requirements, acquisitions and other strategic initiatives, up-gradation of the existing IT infrastructure and general corporate purposes as outlined in the prospectus. The Board of Directors in their meeting held on August 08, 2017 approved to seek the shareholder's approval through Postal Ballot for the variation/deviation in the utilisation of the un-utilised portion of the IPO proceeds. The resolution was passed by the shareholders with requisite majority on September 18, 2017.

The entire proceeds have been utilised as at the end of the year. The summary of utilisation of net IPO proceeds as on March 31, 2018 are as follows:

Sl. No.	Particulars	Projected Utilisation of funds as per prospectus	Alteration in the objects of the IPO for which the amount was raised	Utilisation of funds up to March 31, 2018	Un-utilised amount as at March 31, 2018
A	Funding existing and incremental working capital requirements	800.00	(180.00)	620.00	-
B	Acquisitions and other strategic initiatives	250.00	490.92	740.92	-
C	Upgradation of the existing IT infrastructure	150.00	(133.52)	164.71	-
D	General corporate purposes	184.10	(177.40)	67.00	-
Total		1,384.10	-	1,384.10	-

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company being in the service industry does not have any power generation units and did not produce/generate any renewable or conventional power. However, Company has taken all steps to conserve Energy in the work places by using energy saving lamps at all work stations and educating the employees to conserve energy.

The Company being in Service Sector has adopted all new technology in terms of software and hardware for the better working and efficient reporting. The Company has an in house Information Technology team which constantly works on the adoption and implementation of new technology into the businesses of the Company.

During the year under review the Company on standalone basis has incurred ₹123.35 Lakhs towards expenditure in foreign currencies and earned ₹180.39 Lakhs towards export of services. Total foreign exchange outflow during the year was ₹107.66 Lakhs.

Research and Development

The Company has not undertaken any Research and Development activity in any specific area during the year under review, and hence no cost has been incurred towards same.

Vigil mechanism / Whistle Blower Mechanism

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under

Regulation 22 of SEBI (LODR) Regulations, 2015 read with Section 177(10) of the Companies Act, 2013 for Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairperson of the Audit Committee. The said Policy has been also put up on the website of the Company at the following link <https://www.teamleasegroup.com/policy-documents>

Statement concerning development and implementation of Risk Management Policy of the Company

The Board of the Company has formed a Risk Management committee to frame, implement and monitor the Risk Management plan for the Company. The committee is Responsible for reviewing the risk management plan and Ensuring its effectiveness. Major risks identified by the Businesses and functions are systematically addressed through mitigating actions on a continuous basis.

The Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI LODR Regulations, 2015 is not applicable.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prohibition of insider trading, as approved by the Board is in force by the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information. Mr. Mruthunjaya Murthy, Company Secretary was the Compliance Officer under the Code during the year Mr. Mruthunjaya Murthy has resigned from the office of Compliance Officer w.e.f. May 31, 2018.

Ms. Alaka Chanda has been appointed as Compliance Officer of the Company by the Board of the Company w.e.f. October 30, 2018.

Policies on Appointment of Directors and Remuneration of Directors, Key Managerial Personnel and Employees

In accordance with the provisions of Section 134(3) (e) of the Companies Act, 2013 ("the Act") read with Section 178(2) of the Act and Regulation 17 of the SEBI (LODR) Regulations, 2015, your Company has adopted a Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management, which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors.

The Company's current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2018 the Board consists of 5 Directors, majority of them being Independent Directors. Besides the Chairman and Managing Director who are the Promoters, the Board comprises of 3 Independent Directors. The Board periodically evaluates the need for change in its composition and size. The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 are formulated by the Nomination and Remuneration Committee.

Your Company has also adopted the Policy on appointment of directors and senior management and Policy on Remuneration of Directors, Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of section 178, and the same are available on website under link: <https://www.teamleasegroup.com/compliance-documents>

Details of Policy Developed and Implemented by the Company on its Corporate Social Responsibility Initiatives

The Companies Act, 2013 has mandated, under the provisions of Section 135 of the Companies Act, and Schedule VII of the Act, to form a Corporate Social Responsibility (CSR) Committee for certain classes of Private Limited Companies and unlisted Public Limited Companies and has made it compulsory for all the listed Companies. In this regard your Directors in their Meeting held on July 09, 2015 have duly constituted the Committee, TeamLease Corporate Social Responsibility Committee. The committee now comprises Mr. V Raghunathan (Chairman and Independent Director), Mr. Manish Mahendra Sabharwal (Member) and Mr. Ashok Reddy (Member). During the year under review, the Committee met on August 08, 2017 and January 30, 2018. The Board of Directors in their meeting held on January 30, 2018 unanimously decided not to incur any expenditure on Corporate Social Responsibility activity for the year under review. Your board members wish to state here that the Company's core objective is to provide Education, Employment and Employability through skill development and training which is a mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills, all of which are covered under the Act/Schedule as CSR activities. The Board discussed the matter in detail and has consented not to spend any amount towards CSR activity for financial year 2017-18 considering the ongoing business objects of the Company. However the Board advised the Company and CSR Committee to review any activity/ies that drives the modalities for Corporate Social Responsibility other than the core activities of the Company mentioned above and should it fit within any of the other activity listed in the Schedule VII the same can be considered for the financial year 2018-19.

The statutory disclosures with respect to CSR activities forms part of this Annual Report and is annexed herewith as Annexure-II.

Business Responsibility Report

The Business Responsibility Report ("BRR") of your Company for the year 2017-18 forms part of this Annual Report as required under Regulation 34(2) (f) of the SEBI LODR Regulations 2015

Particulars of Contracts or Arrangements made with Related Parties

All transactions entered into with Related Parties as defined under Companies Act, 2013 during the year were in the ordinary course of business and on an arm's length basis. The Company has formulated a Policy on "Materiality of Related Party Transactions" and the process of dealing with such transactions, which are in line with the provisions of the Companies Act, 2013 and SEBI LODR Regulations 2015. The same is also available on the web-link: <https://www.teamleasegroup.com/policy-documents>

Prior omnibus approval from the Audit and Risk Committee are obtained for transactions which are repetitive and also normal in nature. Further, disclosures on related party contracts and arrangements are made to the Audit Committee and the Board on a quarterly basis. During the year under review, there were no material related party transactions under Regulation 23 (4) of SEBI LODR Regulations 2015 entered into by the Company, which necessitates approval of shareholders. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC - 2, is appended herewith as Annexure-III to the Board's Report.

Extracts of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (Form MGT-9) is furnished in Annexure-IV and is attached to this Report.

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2018.

Accordingly pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that we have selected such accounting policies and applied them consistently and made judgments and estimates that

are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

Secretarial Standards

The Company complies with all applicable secretarial standards.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Ashok Kumar Nedurumalli aka Ashok Reddy (DIN:00151814), Managing Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The details of Mr. Ashok Reddy are provided in the Notice of the Annual General Meeting.

During the year, below mentioned Director and Key Managerial Personnel have tendered their resignation:

Name	Designation	Effective date
Mr. Gopal Jain	Non-Executive Director	August 08, 2017
Mr. C Mruthunjaya Murthy	Company Secretary & Compliance Officer	May 31, 2018

Ms. Alaka Chanda is appointed as Company Secretary and Compliance Officer w.e.f. October 30, 2018.

Receipt of any commission by MD / WTD from Company or from its holding or subsidiary Company

The Company has not paid any commission to any of its Directors. Further, none of the subsidiaries of the Company has paid any commission/remuneration to any of the Directors of the Company.

Internal Financial Control

The Company has laid down certain guidelines, processes and structures, which enable implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompasses policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. These include control processes both on manual and IT applications wherein the transactions are approved and recorded. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements in financial reporting due to error or fraud may occur and not be detected. Also, evaluations of the internal financial controls are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the compliance with the policies or procedures may deteriorate. The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

Your Company has in place adequate financial controls with reference to financial statements. During the year under review, such controls were reviewed and it did not observe any reportable material weakness in the design or operation of financial controls.

Details of Significant and Material orders passed by the Regulators or Courts or Tribunals Impacting the Going concern status and Company's operations in future

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Shares

a. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review

c. Employee Stock Option Plan (ESOP)

Nomination and Remuneration Committee of the Board, inter alia administers and monitors the Company's Employees' Stock Option Plan (ESOP Plan) in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The Plan is implemented through TeamLease ESOP Trust (ESOP Trust). During the year ended March 31, 2018, a total of 36,221 Equity Shares of ₹10/- each were transferred from the ESOP Trust to the eligible employees under the Company's prevailing ESOP plan.

As at March 31, 2018, the ESOP Trust held 72,715 Equity Shares of the Company. During the year ended March 31, 2018, there has been no material change in the Company's existing plan and the plan is in compliance with SBEB Regulations. Note 32 of Standalone financials statements to be referred for information as required under SBEB Regulations read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015. In addition to the above, options granted to Senior Management Personnel are as mentioned below:

Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

- (a) senior managerial personnel; : NIL
- (b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and : NIL
- (c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. : NIL

Company has received a certificate from the Statutory Auditor that the scheme has been implemented in accordance with SEBI Share Based Employee Benefits (SBEB) Regulations and the resolutions passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by the Members.

Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure-V forming part of this Report.

As required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of the top 10 employees in terms of remuneration drawn are given in Annexure-VI is attached herewith. There were two employees during the financial year drawing remuneration of ₹1.02 crore per annum or more whose details are forming part of Annexure-VI. There were no employees who were employed for a part of the financial year and have drawn a remuneration of more than ₹ 8.5 lakhs per month.

Disclosure under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

At TeamLease Services Limited, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year:

- No. of complaints received: 3
- No. of complaints disposed off: 3

Maintenance of Cost Records

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act 2013.

CEO and CFO Certification

As required by SEBI (LODR) Regulation, 2015, the CEO and CFO have given appropriate certifications to the Board of Directors.

General

During the year under review, no revision was made in the Financial Statement of the Company except for compliance with the Ind-AS applicable for the Company w.e.f. April 01, 2017. Kindly refer the Notes to Accounts to the Financial Statements for additional details.

No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market since the listing of the Company's Equity Shares.

Human Resources

The Company has all required policies under the required laws for the time being in force and as required under the Companies Act, 2013 and SEBI LODR Regulations, 2015 the policies pertaining the code of conduct for employees, senior management team and directors, policy on succession plan and harassment free policy as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, Policy on insider trading as required under SEBI Prohibition of Insider Trading Regulations, 1992 and subsequent amendments made thereon, whistle blower policy has been uploaded in the website of the Company <https://www.teamleasegroup.com/policy-documents>.

Statutory Disclosures

None of the Directors of your Company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI LODR Regulations 2015.

Change in nature of business

There has been no change in the nature of business of the Company. Your Company continues to one-stop provider of human resources services to various industries and diverse functional roles, offering staffing, payroll processing, recruitment, compliance and training services. Your Company set in motion the larger company mission of 'Putting India to Work' by focusing on its vision of 3 E's – Employment, Employability and Education

Acknowledgements

We thank our customers, vendors, investors, bankers and the Ministry of Labour for their continued support during the year.

We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on Behalf of Board of Directors

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

Place: Bangalore
Date: October 30, 2018

Annexure I

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
TeamLease Services Limited
(Formerly known as Team Lease Services Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TeamLease Services Limited (Formerly known as Team Lease Services Limited) (hereinafter called the Company) for the audit period covering the Financial year ended March 31, 2018. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. There is no Overseas Direct Investment or External Commercial Borrowing in the Company; and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (f) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

We have also examined compliance with the applicable clauses of the following:

- (i) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India; and
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the laws applicable to the Company, a list whereof is enclosed herewith as an **Annexure -A**.

We further report that the Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following significant & material corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) The Board of Directors at their Meeting held on August 8, 2017, inter-alia, approved the following:
 - (a) Loan amounting to ₹ 50 Crores to TeamLease Digital Private Limited (Formerly: TeamLease Staffing Services Pvt Ltd), a Wholly Owned Subsidiary ("WOS") of the Company, for the purpose of acquisition of Evolve Technologies and Services Private Limited and School Guru Eduserve Private Limited through its WOS; and
 - (b) The Board approved seeking members approval through Postal Ballot for alteration of the objects of the Initial Public Offer (IPO) for which amount was raised.
- (ii) The members have passed a Special Resolution through postal ballot on September 18, 2017, approving alteration of the objects of the IPO for which amount was raised;

(iii) The members have passed a Special Resolution through postal ballot on February 20, 2018, approving increase in the limit of investment by Foreign Institutional Investors/ Foreign Portfolio Investors from 24% to 75% of the paid-up equity share capital of the Company; and

(iv) During the year under review, the Company has invested in the following Companies either directly or through its subsidiaries:

- (a) Evolve Technologies and Services Private Limited ("Evolve") through TeamLease Digital Private Limited, its WOS, and accordingly Evolve has become a step down subsidiary of the Company; and
- (b) School Guru Eduserve Private Limited and Cassius Technologies Private Limited and accordingly these companies have become Associate companies of the Company.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 16, 2018
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure B** and forms an integral part of this report.

'Annexure A'

List of Laws applicable specifically to the Company

1. Industrial Disputes Act, 1947
2. The Payment of Wages Act, 1936
3. The Minimum Wages Act, 1948
4. Employees' State Insurance Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. The Payment of Bonus Act, 1965
7. The Payment of Gratuity Act, 1972
8. The Contract Labour (Regulation & Abolition) Act, 1970
9. The Maternity Benefit Act, 1961
10. The Child Labour (Prohibition & Regulation) Act, 1986
11. The Industrial Employment (Standing Order) Act, 1946
12. The Employees' Compensation Act, 1923
13. The Apprentices Act, 1961
14. Equal Remuneration Act, 1976
15. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
16. Labour Welfare Acts of respective states
17. Profession Tax Acts of respective states
18. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

'Annexure B'

To,
The Members,
TeamLease Services Limited
(Formerly known as Team Lease Services Limited)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 16, 2018
Place: Mumbai

Annexure II

Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>Consequent to the implementation of the Companies Act, 2013, the Company has adopted the CSR policy through CSR Committee. The Company's through it policies aims to bring improvements in the lives of the communities in & around our operations with an objective to energize and enable them to realize their potential.</p> <p>The main objective of our CSR policy is:</p> <ol style="list-style-type: none"> 1) To lay down guidelines to make CSR a key business process for sustainable development of the society. 2) To directly/indirectly undertake projects & programs; this will enhance the quality of life and economic well-being of the communities in and around our office premises and society at large. 3) To generate goodwill and recognition among all stakeholders of the Company. <p>The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:</p> <ol style="list-style-type: none"> 1) Upliftment of the economically backward women through education and vocational training for livelihood enhancing skills. 2) Social and life skills development for the marginalised & underprivileged children to help them live a beautiful life. 3) Adopt a village. 4) Artesian and handicraft support and growth. 5) Participation in social causes like Breast cancer awareness initiatives & programs. Rehabilitation of victims of natural disasters.
2. The composition of the CSR Committee	<p>V. Raghunathan, Chairman</p> <p>Manish Mahendra Sabharwal</p> <p>Ashok Reddy</p>
3. Average net profit of the Company for last three financial years	₹ 400,740,626
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 8,014,813
5. Details of CSR spent during the financial year	Nil
a. Total amount to be spent for the financial year	₹ 8,014,813
b. Amount unspent, if any	₹ 8,014,813
c. Manner in which the amount spent during the financial year is detailed below	For the reasons explained in Clause 6 herein below, no details are available to fill in the below table.

Annual Report on CSR Activities to be included in the Board's Report

CSR project or activity identified Sector in which the project is covered

Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken

Amount outlay (budget) project or programs wise Amount spent on the projects or programs (Sub heads:)

Not Applicable

(1) Direct expenditure on projects or programs

(2) Overhead

Cumulative expenditure upto the reporting period Amount spent: Direct or through implementing agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

The Board is of the opinion that the Company's core objective is to provide Education, Employment and Employability through skill development and training which is mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills, all of which are covered under the Act/Schedule as CSR activities. The Committee in their meeting held on January 30, 2018 recommended to the Board to conserve any spend on CSR as the very nature of the Company is that of a social enterprise in education and training space. Hence no CSR spend was recommended to the Board.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company

The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company

For and on Behalf of Board of Directors

Ashok Reddy

Managing Director
DIN: 00151814

Latika Pradhan

Director
DIN: 07118801

Place: Bangalore

Date: October 30, 2018

Annexure III

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis:

-NOT APPLICABLE

Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Duration of the contract/ arrangement/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Date(s) of approval by the Audit Committee	Amount paid as advances, if any
India Life Capital Pvt. Ltd.	Management having significant influence	Investment advice received by the Company for the PF Trust	Continuous Period	₹ 20.40 lakhs	Quarterly Approval and omnibus approval from Audit Committee in the meeting held on May 18, 2017	NIL
India Life Capital Pvt. Ltd.	Management having significant influence	Accounting Services provided by the Company	Continuous Period	₹ 3.60 lakhs		NIL
India Life Capital Pvt. Ltd.	Management having significant influence	Renting of space by the Company	Continuous Period	₹ 38.64 lakhs		NIL
IIJT Education Pvt. Ltd.	Subsidiary Company	Accounting Services provided	Continuous Period	₹ 3.00 lakhs		NIL
TeamLease Education Foundation	Subsidiary Company	Charges for mobilizing the training program	Continuous period	₹ 34.19 lakhs	May 18, 2017	Nil
India Life Capital Pvt. Ltd.	Management having significant influence	Referral charges for introduction of new clients	Continuous Period	₹ 10.30 lakhs	May 18, 2017	Nil
TeamLease Digital Pvt. Ltd.	Step down Subsidiary Company	Charges for providing office space and other services	Continuous since October 2016	₹ 133.26 lakhs	August 09, 2016	Nil
Hansini Management Consultants Pvt. Ltd.	Management having significant influence	Charges for providing office space	Continuous since April 2016	₹ 1.80 lakhs	May 18, 2017	Nil
Asha Vishwanath	Relative of KMP	Rental charges for providing the residential accommodation	Continuous period	₹ 6.00 lakhs	May 18, 2017	Nil
Keystone Business Solutions Private Limited	Step down Subsidiary Company	Charges for deployment of professionals	Continuous period	₹ 25.00 lakhs	May 18, 2017	Nil

Name(s) of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Duration of the contract/ arrangement/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Date(s) of approval by the Audit Committee	Amount paid as advances, if any
Keystone Business Solutions Private Limited	Step down Subsidiary Company	Charges including providing office space rent and other infrastructure	Continuous period	₹ 11.52 lakhs	May 18, 2017	Nil
Evolve Technologies & Services Private Limited	Step down Subsidiary Company	Charges for deployment of professionals	Continuous period	₹ 21.98 lakhs	May 18, 2017	Nil
TeamLease Digital Private Limited	Step down Subsidiary Company	Charges for Recruitment Services	Continuous Period	₹ 3.33 lakhs	May 18, 2017	Nil
TeamLease Digital Private Limited	Step down Subsidiary Company	Charges for deployment of professionals	Continuous Period	₹ 38.91 lakhs	May 18, 2017	Nil
TeamLease Digital Private Limited	Step down Subsidiary Company	Charges for deployment of professionals/ Recruitment	Continuous Period	₹ 86.99 lakhs	May 18, 2017	Nil

Annexure IV**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on Financial Year ended on March 31, 2018**

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. Registration & Other Details

i.	CIN	L74140MH2000PLC124003
ii.	Registration Date	02.02.2000
iii.	Name of the Company	TeamLease Services Limited
iv.	Category/Sub-category of the Company	Category - Public Listed Company - Limited by shares Sub-category - Indian Non-Government Company
v.	Address of the Registered office and contact details	Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel.: +91 080 33002345 Fax: +91 080 33243001 E-mail: corporateaffairs@teamlease.com Website: www.teamleasegroup.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar & Transfer Agent, if any	M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad-500 032 Tel. No.: +91 040 6716 2222 Fax No.: +91 040 2300 1153 Email : einward.ris@karvy.com Website: www.karisma.karvy.com

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Employment activities	78200	99%

III. Particulars of Holding, Subsidiary and Associate Companies*

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IIJT Education Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U72200MH2006PTC218082	Subsidiary	100%	Sec. 2 (87)
2	TeamLease Education Foundation Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U80903MH2011NPL219138	Subsidiary	100%	Sec. 2 (87)
3	TeamLease Digital Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U74999MH2016PTC283227	Subsidiary	100%	Sec. 2 (87)
4	Keystone Business Solutions Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U72200MH2009PTC304689	Subsidiary	100%	Sec. 2 (87)
5	Evolve Technologies & Services Private Limited J 531 MIDC Bhosari, Pune - 411 026	U50404PN1991PTC062664	Subsidiary	100%	Sec. 2 (87)
6	Cassius Technologies Private Limited Building No.IV/412 A,Maramattathil House, Kochi Palace P.O., Hill Palace Ernakulam - 682 301	U72200KL2005PTC018963	Associate	30%	Sec. 2 (6)
7	School Guru Eduserve Private Limited Unit No. 903, 9th Floor, Western Edge- II, Western Express Highway,Borivali (East), Mumbai - 400 066	U80301MH2010PTC211390	Associate	22.19%	Sec. 2 (6)

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5,343	-	5,343	0.03	5,343	-	5,343	0.03	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	31,01,920	-	31,01,920	18.14	26,60,571	-	26,60,571	15.56	(2.58)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	31,07,263	-	31,07,263	18.17	26,65,914	-	26,65,914	15.59	(2.58)
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	45,71,779	-	45,71,779	26.74	45,71,779	-	45,71,779	26.74	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	45,71,779	-	45,71,779	26.74	45,71,779	-	45,71,779	26.74	-
TOTAL (A)	76,79,042	-	76,79,042	44.92	72,37,693	-	72,37,693	42.33	(2.58)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	29,60,185	-	29,60,185	17.31	9,93,219	-	9,93,219	5.81	(11.50)
b) Banks / FI	1,369	-	1,369	0.01	2,059	-	2,059	0.01	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	3,44,384	-	3,44,384	2.01	1,96,524	-	1,96,524	1.15	(0.86)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPIs, AIFs)	23,89,839	-	23,89,839	13.98	55,70,095	-	55,70,095	32.58	18.60
Sub-total (B)(1):-	56,95,777	-	56,95,777	33.31	67,61,897	-	67,61,897	39.55	6.24
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9,12,828	-	9,12,828	5.34	10,87,558	-	10,87,558	6.36	1.02
ii) Overseas	17,71,299	-	17,71,299	10.36	11,14,324	-	11,14,324	6.52	(3.84)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	4,76,978	14,353	4,91,331	2.87	4,46,193	2,569	4,48,762	2.62	(0.25)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	3,15,714	28,224	3,43,938	2.01	2,31,594	-	2,31,594	1.35	(0.66)
c) Others (specify)									
Non Resident Indians	10,212	-	10,212	0.06	10,121	-	10,121	0.06	(0.00)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	45,859	-	45,859	0.27	66,523	-	66,523	0.39	0.12
Trusts**	1,28,193	-	1,28,193	0.75	80,910	-	80,910	0.47	(0.28)
Non Resident Indian Non Repatriable	7,082	-	7,082	0.04	47,600	-	47,600	0.28	0.24
HUF	11,208	-	11,208	0.07	9,787	-	9,787	0.06	(0.01)
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	36,79,373	42,577	37,21,950	21.77	30,94,610	2,569	30,97,179	18.12	(3.65)
Total Public (B)	93,75,150	42,577	94,17,727	55.08	98,56,507	2,569	98,59,076	57.67	2.58
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,70,54,192	42,577	1,70,96,769	100.00	1,70,94,200	2,569	1,70,96,769	100.00	(0.00)

**Trust includes 128,193 shares as of March 31, 2017 and 72,715 as of March 31, 2018 held by TeamLease ESOP Trust 2015 as per SEBI(Share-based employee benefits) Regulations, 2014. This is non-promoter non public shareholding. 8,195 shares as of March 31, 2018 held by Other Public Trusts.

(ii) Shareholding of Promoters[^]

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	HR Offshoring Ventures Pte Ltd.	45,71,779	26.74	-	45,71,779	26.74	-	-
2	Dhana Management Consultancy LLP	12,60,278	7.37	-	9,04,413	5.29	-	(2.08)
3	NED Consultants LLP	17,09,900	10.00	-	16,24,416	9.50	-	(0.50)
4	MKS Management Consultancy Services LLP	300	0.00	-	300	0.00	-	-
5	Hansini Management Consultants Private Limited	1,31,442	0.77	-	1,31,442	0.77	-	-
6	Anupama Gupta	2,916	0.02	-	2,916	0.02	-	-
7	Arati Menon	2,427	0.01	-	2,427	0.01	-	-

[^] Includes Shareholding of Promoter group also.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	HR Offshoring Ventures Pte Ltd.						
	At the beginning of the year			45,71,779	26.74		
	Changes during the year				-	45,71,779	26.74
	At the end of the year					45,71,779	26.74
2	Dhana Management Consultancy LLP						
	At the beginning of the year			12,60,278	7.37	9,04,413	5.29
	Changes during the year	07-04-17 to 30-03-18	Sale	(3,55,865)	(2.08)	9,04,413	5.29
	At the end of the year						
3	NED Consultants LLP						
	At the beginning of the year			17,09,900	10.00		
	Changes during the year	16/06/17	Sale	(85,484)	(0.50)	16,24,416	9.50
	At the end of the year					16,24,416	9.50
4	MKS Management Consultancy Services LLP						
	At the beginning of the year			300	0.00		
	Changes during the year			-	-	300	0.00
	At the end of the year					300	0.00
5	Hansini Management Consultants Private Limited						
	At the beginning of the year			1,31,442	0.77		
	Changes during the year			-	-	1,31,442	0.77
	At the end of the year					1,31,442	0.77
6	Anupama Gupta						
	At the beginning of the year			2,916	0.02		
	Changes during the year			-	-	2,916	0.02
	At the end of the year					2,916	0.02
7	Arati Menon						
	At the beginning of the year			2,427	0.01		
	Changes during the year			-	-	2,427	0.01
	At the end of the year					2,427	0.01

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	GPE (India) Ltd.						
	At the beginning of the year			17,71,299	10.36		
	Changes during the year	24/11/17	Sale	(6,56,975)	(3.84)	11,14,324	6.52
	At the end of the year					11,14,324	6.52
2	Gaja Capital India Fund-I						
	At the beginning of the year			4,13,519	2.42		
	Changes during the year	24/11/17	Sale	(1,53,374)	(0.90)	2,60,145	1.52
	At the end of the year					2,60,145	1.52
3	HDFC Trustee Company Limited#						
	At the beginning of the year			15,38,093	9.00		
	Changes during the year	01/12/17	Sale	(3,800)	(0.02)	15,34,293	8.97
		26/01/18	Sale	(648)	(0.00)	15,33,645	8.97
		02/02/18	Sale	(8,000)	(0.05)	15,25,645	8.92
		02/03/18	Sale	(54,500)	(0.32)	14,71,145	8.60
		09/03/18	Sale	(7,55,481)	(4.42)	7,15,664	4.19
		16/03/18	Sale	(1,20,000)	(0.70)	5,95,664	3.48
		23/03/18	Sale	(3,80,121)	(2.22)	2,15,543	1.26
	At the end of the year					2,15,543	1.26
4	Aditya Birla Sun Life Trustee Private Limited - multiple accounts						
	At the beginning of the year			3,97,176			
	Changes during the year	07/07/17	Sale	(27,070)	(0.16)	3,70,106	2.16
		04/08/17	Sale	(12,609)	(0.07)	3,57,497	2.09
		15/09/17	Sale	(60,300)	(0.35)	2,97,197	1.74
		22/09/17	Sale	(5,500)	(0.03)	2,91,697	1.71
		22/12/17	Purchase	6,200	0.04	2,97,897	1.74
		29/12/17	Purchase	5,500	0.03	3,03,397	1.77
		09/02/18	Purchase	12,920	0.08	3,16,317	1.85
		23/02/18	Purchase	14,000	0.08	3,30,317	1.93
	At the end of the year					3,30,317	1.93
5	Reliance Capital Trustee Company Limited#						
	At the beginning of the year			7,24,948			
	Changes during the year	07-04-2017	Purchase	55,000	55,000	7,79,948	4.56
		07/07/17	Sale	(52,000)	(0.30)	7,27,948	4.26
		21/07/17	Sale	(57,000)	(0.33)	6,70,948	3.92
		11/08/17	Sale	(85,000)	(0.50)	5,85,948	3.43
		08/09/17	Sale	(21,700)	(0.13)	5,64,248	3.30
		15/09/17	Sale	(93,600)	(0.55)	4,70,648	2.75
		08/12/17	Sale	(25,552)	(0.15)	4,45,096	2.60
		15/12/17	Sale	(448)	(0.00)	4,44,648	2.60
		05/01/18	Sale	(4,304)	(0.03)	4,40,344	2.58
		12/01/18	Sale	(3,252)	(0.02)	4,37,092	2.56
		19/01/18	Sale	(23,080)	(0.13)	4,14,012	2.42
		02/02/18	Sale	(28,014)	(0.16)	3,85,998	2.26
		16/02/18	Sale	(11,215)	(0.07)	3,74,783	2.19

(iv) Shareholding Pattern of top ten Shareholders (Contd...)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		23/02/18	Sale	(16,145)	(0.09)	3,58,638	2.10
		02/03/18	Sale	(8,436)	(0.05)	3,50,202	2.05
		09/03/18	Sale	(1,00,000)	(0.58)	2,50,202	1.46
		30/03/18	Sale	(40,171)	(0.23)	2,10,031	1.23
	At the end of the year					2,10,031	1.23
6	Goldman Sachs India Fund Limited						
	At the beginning of the year			7,00,801	4.10		
	Changes during the year			-	-	7,00,801	4.10
	At the end of the year					7,00,801	4.10
7	Goldman Sachs Funds - Goldman Sachs Growth & Emerging Markets Broad Equity Portfolio						
	At the beginning of the year			3,93,088	2.30		
	Changes during the year	14/07/17	Purchase	1,29,000	0.75	5,22,088	3.05
		21/07/17	Purchase	37,164	0.22	5,59,252	3.27
		28/07/17	Purchase	10,614	0.06	5,69,866	3.33
	At the end of the year					5,69,866	3.33
8	FIL Investments (Mauritius) Ltd						
	At the beginning of the year			3,70,154	2.17		
	Changes during the year	07/04/17	Purchase	88,265	0.52	4,58,419	2.68
		12/05/17	Purchase	1,451	0.01	4,59,870	2.69
		16/06/17	Purchase	1,23,338	0.72	5,83,208	3.41
		04/08/17	Purchase	11,890	0.07	5,95,098	3.48
		11/08/17	Purchase	79,465	0.46	6,74,563	3.95
		18/08/17	Purchase	31,396	0.18	7,05,959	4.13
		25/08/17	Purchase	922	0.01	7,06,881	4.13
		01/09/17	Purchase	423	0.00	7,07,304	4.14
		08/09/17	Purchase	48,749	0.29	7,56,053	4.42
	At the end of the year					7,56,053	4.42
9	EMERGING MARKETS GROWTH FUND, INC.						
	At the beginning of the year			2,86,074	1.67		
	Changes during the year	28/07/17	Sale	(18,432)	(0.11)	2,67,642	1.57
	At the end of the year					2,67,642	1.57
10	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD						
	At the beginning of the year			2,35,432	1.38		
	Changes during the year	07/04/17	Purchase	314	0.00	2,35,746	1.38
		14/04/17	Purchase	1,711	0.01	2,37,457	1.39
		21/04/17	Sale	(443)	(0.00)	2,37,014	1.39
		28/04/17	Purchase	99	0.00	2,37,113	1.39
		05/05/17	Sale	(1,489)	(0.01)	2,35,624	1.38
		12/05/17	Sale	(3,923)	(0.02)	2,31,701	1.36
		19/05/17	Sale	(153)	(0.00)	2,31,548	1.35
		26/05/17	Sale	(1,974)	(0.01)	2,29,574	1.34

(iv) Shareholding Pattern of top ten Shareholders (Contd...)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		09/06/17	Sale	(841)	(0.00)	2,28,733	1.34
		23/06/17	Sale	(1,468)	(0.01)	2,27,265	1.33
		30/06/17	Purchase	327	0.00	2,27,592	1.33
		07/07/17	Sale	(641)	(0.00)	2,26,951	1.33
		14/07/17	Sale	(288)	(0.00)	2,26,663	1.33
		21/07/17	Sale	(2,541)	(0.01)	2,24,122	1.31
		28/07/17	Sale	(883)	(0.01)	2,23,239	1.31
		04/08/17	Sale	(1,077)	(0.01)	2,22,162	1.30
		11/08/17	Purchase	172	0.00	2,22,334	1.30
		18/08/17	Purchase	89	0.00	2,22,423	1.30
		25/08/17	Purchase	336	0.00	2,22,759	1.30
		01/09/17	Sale	(160)	(0.00)	2,22,599	1.30
		08/09/17	Purchase	33,781	0.20	2,56,380	1.50
		15/09/17	Sale	(1,384)	(0.01)	2,54,996	1.49
		22/09/17	Purchase	23,248	0.14	2,78,244	1.63
		29/09/17	Purchase	2,339	0.01	2,80,583	1.64
		06/10/17	Purchase	19,250	0.11	2,99,833	1.75
		13/10/17	Purchase	180	0.00	3,00,013	1.75
		20/10/17	Sale	(1,145)	(0.01)	2,98,868	1.75
		10/11/17	Purchase	413	0.00	2,99,281	1.75
		17/11/17	Purchase	4,775	0.03	3,04,056	1.78
		24/11/17	Purchase	24,495	0.14	3,28,551	1.92
		08/12/17	Purchase	1,032	0.01	3,29,583	1.93
		22/12/17	Purchase	3,776	0.02	3,33,359	1.95
		29/12/17	Purchase	2,684	0.02	3,36,043	1.97
		05/01/18	Purchase	769	0.00	3,36,812	1.97
		12/01/18	Purchase	376	0.00	3,37,188	1.97
		19/01/18	Purchase	34,195	0.20	3,71,383	2.17
		26/01/18	Sale	(1,236)	(0.01)	3,70,147	2.17
		02/02/18	Purchase	3,084	0.02	3,73,231	2.18
		09/02/18	Purchase	102	0.00	3,73,333	2.18
		16/02/18	Sale	(239)	(0.00)	3,73,094	2.18
		23/02/18	Purchase	229	0.00	3,73,323	2.18
		02/03/18	Purchase	775	0.00	3,74,098	2.19
		09/03/18	Purchase	34,988	0.20	4,09,086	2.39
		16/03/18	Purchase	931	0.01	4,10,017	2.40
		23/03/18	Sale	(302)	(0.00)	4,09,715	2.40
		30/03/18	Purchase	352	0.00	4,10,067	2.40
	At the end of the year					4,10,067	2.40
11	T. Rowe Price International Discovery Fund^						
	At the beginning of the year			-	-		
	Changes during the year	24/11/17	Purchase	7,50,808	4.39	7,50,808	4.39
	At the end of the year					7,50,808	4.39

(iv) Shareholding Pattern of top ten Shareholders (Contd...)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
12	J P Morgan Funds^						
	At the beginning of the year			-	-		
	Changes during the year	23/03/18	Purchase	5,09,180	2.98	5,09,180	2.98
	At the end of the year					5,09,180	2.98
13	Indus India Fund (Mauritius) Limited^						
	At the beginning of the year			-	-		
	Changes during the year	09/03/18	Purchase	3,71,780	2.17	3,71,780	2.17
		16/03/18	Purchase	66,076	0.39	4,37,856	2.56
	At the end of the year					4,37,856	2.56

^ Not in the list of Top 10 shareholders as on 01/04/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018 or during the year.

Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01/04/2017 or during the year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Ravi Vishwanath - CFO						
	At the beginning of the year			36,525	0.21		
	Changes during the year	21/04/17	ESOP Allotment	3,000	0.02	39,525	0.23
		01/12/17	Sale	(806)	(0.00)	38,719	0.23
		08/12/17	Sale	(194)	(0.00)	38,525	0.23
	At the end of the year					38,525	0.23

Note: None of the Directors and KMPs of the Company (excluding as reported above) held any share during the year.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Ashok Reddy Managing Director	Manish Mahendra Sabharwal Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99,03,297	87,24,004	1,86,27,301
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	99,03,297	87,24,004	1,86,27,301
	Ceiling as per the Companies Act, 2013	7,97,41,374.00		

Note: Gross salary mentioned in the table is the amount accrued during the FY 2017-18.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Latika Pradhan	Narayan Ramachandran	Raghunathan V.	
1	Independent Directors				
	Fee for attending board committee meetings	1,50,200	1,50,200	1,50,150	4,50,550
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1,50,200	1,50,200	1,50,150	4,50,550
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1,50,200	1,50,200	1,50,150	4,50,550
	Total Managerial Remuneration*				1,90,77,851
	Overall Ceiling as per the Act	Sitting Fees is within the limits specified under the Act.			

* Total Remuneration to Managing Director, Whole Time Director and other Directors (being the total of A and B).

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ravi Vishwanath CFO	Mruthunjaya Murthy* CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	91,16,808	24,84,383	1,16,01,191
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	36,02,516	-	36,02,516
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	1,27,19,324	24,84,383	1,52,03,707

* resigned w.e.f. May 31, 2018.

Note: Gross salary mentioned in the table is the amount accrued during the FY 2017-18.

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

There were no penalties/punishments/compounding of offences for the year ended March 31, 2018.

Annexure V

Details Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Relevant clause u/r 5(1)	Prescribed Requirement Name and Designation	Particulars			
		Remuneration of directors/ KMPs for the financial year 2017-18	Median Salary	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in Remuneration in the financial year 2017-18
I & II	Ashok Reddy, Managing Director	99,03,297	2,68,765.00	36.85	14.58%
	Manish Mahendra Sabharwal, Executive Director & Chairman	87,24,004	2,68,765.00	32.46	3.86%
	Gopal Jain, Non-Executive Director (Resigned w.e.f 08.08.2017)	-	2,68,765.00	-	NA
	Latika Pradhan, Independent Director	1,50,200	2,68,765.00	0.56	-16.56%
	Narayan Ramachandran, Independent Director	1,50,200	2,68,765.00	0.56	0.13%
	Raghunathan V., Independent Director	1,50,150	2,68,765.00	0.56	7.25%
	Ravi Vishwanath, Chief Financial Officer	1,27,19,324	2,68,765.00	47.33	-8.02%
	Mruthunjaya Murthy, Company Secretary (Resigned w.e.f. 31.05.2018)	24,84,383	2,68,765.00	9.24	8.26%
III	Percentage increase in the median remuneration of employees in the financial year	Median Remuneration during the year was ₹ 268,765. The median remuneration was decreased by 4.55%.			
IV	Number of permanent employees on the rolls of company	1403 Core Employees as on March 31, 2018			
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	a) Average increase/(decrease) in remuneration of employees other than the Managerial Personnel – (4.72)%. b) Average increase in remuneration of Managerial Personnel – 9.3%.			
X	The key parameters for any variable component of remuneration availed by the directors	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.			
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.			

Annexure VI

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top 10 employees in terms of remuneration drawn during the year

Employee Name	Designation	Educational Qualification	Age	Experience (in years)	Date of commencement of employment	Remuneration in fiscal 2018 (in ₹)	Previous employment and designation
RITUPARNA CHAKRABORTY*	Executive Vice President	PGDM	43	18	6/Jan/03	1,71,01,503	Monster, Key Accounts Manager
RAVI VISHWANATH*	Chief Financial Officer	B.Com, FCA	55	35	14/Feb/11	1,27,19,324	Sun Microsystems India Private, Bangalore, Finance Director - India GEM
ASHOK REDDY	Managing Director	B.Com, PGDM	48	20	1/Jan/07	99,03,297	Director, India Life
MANISH SABHARWAL	Executive Chairman	B.Com, MBA	48	22	1/Apr/13	87,24,004	CEO, Hewitt Outsourcing (Asia), Singapore
SHARANABASAPPA SHIROL	Senior Vice President	B.E.	43	21	14/Feb/05	76,23,679	Hewitt Outsourcing Services, Senior Software Engineer
SUSHOBHAN BARAL	Vice President Finance	B.Com	52	28	24/Jan/11	50,65,020	CPP Assistance Services Pvt Ltd, Head - Finance
SANTOSH THANGAVELU	Vice President	B.E., PGCHRM	44	21	4/Jan/16	50,37,204	Cognizant, Senior Director - HR
SONAL ARORA	Vice President	PGD – Marketing Management	43	21	1/Jul/05	40,80,667	Bennet Coleman & Co Ltd - Manager
SUDEEP KUMAR SEN	Head - Sales Engineering & Industrial	PG Diploma in IT & Mgmt.	40	18	7/Jun/10	40,61,897	Adecco India – Regional Business Mgr
NEETI SHARMA	Senior Vice President	Master of Arts	47	27	26/Jul/04	40,38,221	APTECH Ltd - AGM

*Employees drawing a remuneration of ₹ 1.02 Crore or above per annum and posted in India.

Note: 1. The details in the above table are on accrual basis for better comparability with the KMP remuneration disclosures includes in other sections of this Annual Report.

2. Employees mentioned above are neither relatives of any director of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE REPORT

Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At TeamLease Services Limited (TeamLease/ the Company), it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

For ensuring sound Corporate Governance practices, the Government of India has put in place, a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Global trends and some governance failures across the world drive the demand for a high quality of governance practices. Besides complying with the statutorily prescribed Corporate Governance practices, the Company has voluntarily adopted and evolved various practices of governance conforming to ethical and responsible standards of business. Certain recommendations of the recent SEBI constituted Kotak Committee have also been adopted by the Company even before they are mandated. The amended norms are aimed to encourage companies to 'adopt best practices on Corporate Governance'.

A Report on Compliance with Corporate Governance principles as prescribed under SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 is given below:

I. Company's philosophy on Corporate Governance

Corporate Governance is an effective tool to bring integrity and transparency in terms of reporting so as to protect the interest of all the stakeholders of the company. Keeping this in mind, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) has laid down provisions so as to ensure that the effective Corporate Governance is implemented by the Corporates. Beyond the legal compliance TeamLease is committed to bring in effective Corporate Governance so as to ensure a strong relationship with the stakeholders by providing the truthful internal information on how the company is being run or managed. The Management/Board of Directors is considerate to adopt the system of effective communication on the disclosures that are essential for the stakeholders through proper channels with utmost integrity and transparency. The Company has adopted the philosophy of Corporate Governance not only to satisfy the spirit of law, but also in the spirit of the letter of law.

TeamLease believes that good Corporate Governance emerges from the application of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

At TeamLease, we also consider it as our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as leadership and governance of the Company.

II.a Board of Directors

In terms of the Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it discharge its responsibility of strategic supervision of the Company as trustees to the shareholders. The Board of Directors ('the Board') is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

As on March 31, 2018, the Board of Directors has 5 members, consisting of three Independent Directors and two Executive Directors. Mr. Manish Mahendra Sabharwal is the Chairman and Mr. Ashok Kumar Nedurumalli aka Ashok Reddy is the Managing Director of your Company. The Independent Directors are renowned professionals' drawn from diverse fields possessing requisite qualification and experience in general corporate management which enable them to contribute effectively to your Company and enhance the quality of Board decision making process. The Independent Directors annually provide a Certificate of Independence in accordance with the applicable laws which is taken on record by the Board.

All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings for strategic guidance and advice.

The Company's day to day affairs are managed by competent management team under the able supervision of the Board.

Since the Company has the Executive Chairman to preside the Board, the constitution of Board is such that not less than fifty percent of the Board comprises of Independent Directors. The Company has one Woman Director in its Board and hence Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(a) of the SEBI LODR Regulations, 2015. The Board believes that the current size is appropriate, based on the Company's present volume of operations and nature of business.

A. Composition of the Board

The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the SEBI LODR Regulations 2015. The Company has an optimum combination of Executive and Non-Executive Directors.

The names and categories of Directors, the number of Directorships and Committee positions held by them are tabulated below:

Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on March 31, 2018:

Name of the Director	Designation	Category	No. of Directorship(s) and Committee(s) Membership(s)/ Chairpersonship(s) (excluding the Company)		
			Other Directorship(s)*	Committee Membership**	Committee Chairpersonship**
Mr. Manish Mahendra Sabharwal	Chairman	Promoter & Executive Director	2	1	-
Mr. Ashok Reddy	Managing Director	Promoter & Executive Director	-	-	-
Mrs. Latika Pradhan	Independent Director	Independent Director	1	1	-
Mr. Narayan Ramachandran	Independent Director	Independent Director	1	-	-
Mr. Raghunathan V	Independent Director	Independent Director	-	-	-

*Excludes Directorships in Private Limited Companies, Foreign Companies and companies under Section 8 of the Companies Act, 2013.

** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

Notes:

1. None of the Directors hold Directorships in more than 20 companies including 10 public limited companies and private companies which are either subsidiary or holding company of a public company pursuant to Section 165 of the Companies Act, 2013.
2. None of the Directors hold membership in more than 10 committees or chairpersonship of more than 5 committees as required under Regulation 26 of the SEBI LODR Regulations, 2015.
3. The Directorship/Committee membership is based on the disclosures received from the Directors as on March 31, 2018.
4. No director has any inter-se relationship with other Directors.

B. Board Procedure

Detailed agenda is sent to each Director at least 7 days in advance of Board and Committee meetings. All material information is incorporated in the agenda along with supporting documents and relevant presentations. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board also reviews major legal issues, minutes of meeting of various Committees of the Board and subsidiary companies, significant transactions and arrangements entered into by the subsidiary companies, adoption of financial results, transaction pertaining to purchase or disposal of properties, major accounting provisions and write-offs, corporate restructuring details of any joint ventures or collaboration agreement, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public product liability, and information on recruitment of Senior Officer just below the Board level of Key Management Personnel.

The Company Secretary records minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to Board /Committee members within 15 days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The Minutes are entered in the Minute Books within 30 days from the conclusion of the meeting and signed by the Chairman at the subsequent meeting.

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/ divisions. Action taken Report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting.

Apart from Board members and the Company Secretary, the Board and Committee meetings are also attended by the Chief Financial Officer and wherever required by the heads of various corporate functions.

C. Number of Board meetings, attendance of the Directors at meetings of the Board and the Annual General Meeting:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. The Board/Committee meetings are pre-scheduled and a tentative date of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. The Chairman of the Board and the Company Secretary, draft the agenda for each meeting and the same along with the agenda notes and explanatory statement are circulated in advance to the Directors.

During the year April 01, 2017 to March 31, 2018, the Board of Directors met 5 times during the Financial Year 2017-18 on the following dates:

Sl. No.	Type of Meeting	Date of the meeting
1	Board Meeting	May 18, 2017
2	Board Meeting	August 08, 2017
3	Board Meeting	November 07, 2017
4	Board Meeting	January 30, 2018
5	Board Meeting	March 26, 2018

Attendance of Directors at Board Meetings and Annual General Meeting:

Director	No. of Board Meetings		Attendance at last AGM (July 07, 2017)
	Held during directorship	Attended	
Mr. Manish Mahendra Sabharwal	5	4	No
Mr. Ashok Reddy	5	5	Yes
Mr. Gopal Jain*	2	1	No
Mrs. Latika Pradhan	5	5	Yes
Mr. Narayan Ramachandran	5	5	No
Mr. Raghunathan V	5	5	No

*Resigned w.e.f. August 08, 2017

The Board reviews all the information provided periodically for discussion and consideration at its meetings in terms of Regulation 17 (7) and Schedule II Part A of the SEBI LODR Regulations, 2015 and functional heads are present whenever necessary and appraise all the directors about the developments. They also make presentations to the board and committees of directors as and when required.

D. Shareholding of Non-Executive Directors

None of the non-executive directors held any shares in the Company during the year ended March 31, 2018.

E. Meeting of the Independent Directors

The Independent Directors of your Company met once during the year on March 26, 2018 without the presence of Non-Independent Directors and members of the management. The meeting was conducted in an informal and flexible manner to enable the Independent Directors to inter alia, discuss matters pertaining to review of performance of Non Independent Directors and the Board as a whole, review the performance of the Chairman of the Company after taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F. Directors' Induction and Familiarization

The provision of an appropriate induction program for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Company Secretary is responsible for ensuring that such induction and training programs are extended to Directors. The Independent Directors, from time to time, request the Management to provide detailed understanding of any specific project, activity or process of the Company. The Management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

- build an understanding of the Company, its businesses and the markets and regulatory environment in which it operates;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively; and
- develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive induction and training provided as part of the familiarization program, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy. The details of familiarization program are available on the Company's website at <https://www.teamleasegroup.com/compliance-documents>.

The Code of Business Conduct and Ethics for members of the Board and Senior Management personnel is in place and the Code of Conduct for Independent Directors, in particular, mentioning the duties, obligations and responsibilities are also in place and the same is available on the website of the Company with the following link <https://www.teamleasegroup.com/compliance-documents>.

The Company has also formed the Board Diversity and the same is adopted by the Board of Directors along with the policy on the evaluation of the performance of the directors and the same is available on the website of the Company with the following link <https://www.teamleasegroup.com/policy-documents>.

G. Board Evaluation

In terms of the requirements of the Companies Act 2013 and pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI LODR, Regulations, 2015, the Board carried out the Annual Performance Evaluation of the Directors, Board Committees and the Board as a whole. During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process

focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members.

The Nomination and Remuneration Committee also formulated the additional criteria of independence and independent judgment for the assessment of the performance of Independent Directors along with other criteria such as qualification, experience relevant to the industry, knowledge & competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution and integrity as required under the guidelines provided by SEBI in respect of Board Evaluation.

The Independent Directors had their meeting on March 26, 2018 to assess the performance of the Board and committees as a whole and for the assessment of Executive Chairperson, Executive Director, Non-executive director, Board and Committees as a whole.

II.b Committees of the Board

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Board supervises the execution of its responsibilities by the Committee and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers/function heads are invited to present various details called for by the Committee at its meeting.

Committees of the Board are as under:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

A. Audit Committee

The Audit Committee comprises of the following members on the date of reporting:

The Committee meets at the frequent intervals depending upon the requirements.

Mrs. Latika Pradhan	Chairperson (Independent Director)
Mr. Narayan Ramachandran	Member (Independent Director)
Mr. Raghunathan V.	Member (Independent Director)

Terms of Reference

The Audit Committee meets at frequent intervals and the terms of reference of the Audit Committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations, 2015 are as follows:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties;
- 9) Scrutinizing of inter-corporate loans and investments;
- 10) Valuing of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluating of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up there on;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Reviewing the management discussion and analysis of financial condition and results of operations;

- 21) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
- 22) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 23) Statement of Deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Details of Audit Committee Meetings

The Audit Committee met four times during the Financial Year ended March 31, 2018 on May 18, 2017; August 08, 2017; November 07, 2017 and January 30, 2018. The Audit Committee Meetings were held with gap of not more than 120 days between two consecutive meetings as required under the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015.

Details of members and their attendance at the Audit Committee meetings:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mrs. Latika Pradhan	Chairperson	4	4
Mr. Narayan Ramachandran	Member	4	4
Mr. Raghunathan V	Member	4	4
Mr. Gopal Jain*	Member	2	1

*Resigned w.e.f. August 08, 2017

B. Nomination and Remuneration Committee

Nomination and Remuneration Committee comprises of the following members of the Board on the date of reporting:

The Committee meets at the frequent intervals depending upon the requirements.

Mr. Narayan Ramachandran	Chairman (Independent Director)
Mrs. Latika Pradhan	Member (Independent Director)
Mr. Raghunathan V.	Member (Independent Director)

Terms of Reference:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the Independent Directors and the Board;
3. Devising a policy on Board Diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;
5. Determining the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
6. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component including the matter relating to ESOP grants as per the scheme formulated by the Company;
7. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
8. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014].
9. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of Performance Evaluation of Independent Directors.

The members of the Nomination and Remuneration Committee met one time during the year under review i.e. on May 18, 2017

Details of members and their attendance at the meetings are as follows:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Narayan Ramachandran	Chairman	1	1
Mrs. Latika Pradhan	Member	1	1
Mr. Raghunathan V.	Member	1	1

Besides, the Nomination and Remuneration Committee periodically reviews the composition of the Board to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all shareholders and the Company.

The process of appointing a director/KMPs/Senior Management Personnel is, that when a vacancy arises or is expected the Committee will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate bring to the Board/Company and the balance of skills added to that of which the existing members hold.

C. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee comprises of the following members of the Board on the date of reporting:

The Committee meets at frequent intervals depending upon the requirements.

Mr. Raghunathan V	Chairman (Independent Director)
Mr. Manish Mahendra Sabharwal	- Member (Executive Director)
Mr. Ashok Reddy	- Member (Executive Director)

Terms of reference

1. Redressal of shareholders'/investors' grievances;
2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders;
5. Carrying out any other function as prescribed under Listing Obligations and Disclosure Requirements, Regulations, 2015 issued by SEBI ; and
6. The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.

During the year under review the Committee met one time i.e., on February 16, 2018.

Details of members and their attendance at the meetings are as follows:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. V. Raghunathan	Chairman	1	-
Mr. Manish Mahendra Sabharwal	Member	1	1
Mr. Ashok Reddy	Member	1	1

D. Corporate Social Responsibility Committee

Corporate Social Responsibility comprises of the following members of the Board on the date of reporting:

The Committee meets at frequent intervals depending upon the requirements.

Mr. Raghunathan V	Chairman (Independent Director)
Mr. Manish Mahendra Sabharwal	- Member (Executive Director)
Mr. Ashok Reddy	- Member (Executive Director)

Terms of reference

1. Formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy")
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (i);
3. Monitor the Corporate Social Responsibility Policy of the company from time to time; and
4. Monitor the amount approved by the Board is spent for the purpose and report the same to the Board

During the year under review the Committee met two times i.e., on August 08, 2017 and January 30, 2018.

Details of members and their attendance at the meetings are as follows:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. V. Raghunathan	Chairman	2	1
Mr. Manish Mahendra Sabharwal	Member	2	2
Mr. Ashok Reddy	Member	2	2

III Details of Compliance Officer

Mr. Mruthunjaya Murthy, Company Secretary acted as the Compliance Officer of the Company during the Financial Year 2017-18. He resigned w.e.f. May 31, 2018.

Ms. Alaka Chanda, Company Secretary has been appointed as the Compliance Officer of the Company on October 30, 2018. The shareholders may send their concerns to corporateaffairs@teamlease.com.

Details of shareholders' complaints

(a) Number of shareholders' complaints received during the year	: 9
(b) Number of shareholders' complaints resolved during the year	: 9
(c) Number of complaints not solved to the satisfaction of shareholders	: NIL
(d) Number of complaints pending	: NIL

IV. Remuneration to Directors**A. Remuneration Policy:**

Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel (KMPs) and other Employees.

The Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our Business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and incentive (variable component) to its Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the prescribed limit mentioned in Schedule V of Companies Act, 2013 and the same is effective from April 1, each year. The Nomination and Remuneration Committee decides on the incentive payable to the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Executive Directors.

The Executive Directors are the employees of the Company and are subject to service conditions as per the Company policy. There is no provision for payment of severance fees to Executive/ Non-Executive Directors. Independent Directors are paid sitting fees and are not subject to any notice period and severance fees.

B. Remuneration to Non-Executive Directors

During the year 2017-18, the Company paid sitting fees of ₹20,000 per Board Meeting and ₹10,000 for the Committee Meetings to Independent Directors for attending meetings of the Board and Committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. Kindly refer MGT-9 for details of remuneration paid to Directors and KMPs of the Company.

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock options to its Executive, Non-Executive Directors and Independent Directors.

C. Remuneration to Executive Directors Kindly refer MGT-9 for details of remuneration paid to Executive Directors of the Company.

V. General Body Meetings

1. General Meeting

a) Annual General Meeting ("AGM"):

The date, time and location of Annual General Meetings held during the last three years and the special resolutions passed there at are as follows:

Financial Year	Date	Time	Venue	Special Resolution passed
2014-15	September 30, 2015	4:00 PM	Office No. 6, 3rd Floor, C Wing, Laxmi Towers Bandra (East), Mumbai 400 051	1. Appointment of Ashok Reddy as Managing Director 2. Appointment of Manish Mahendra Sabharwal as Whole Time Director
2015-16	August 02, 2016	3:00 PM	Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050	NIL
2016-17	July 07, 2017	3:00 PM	Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059	1. Ratification of Employee Stock Option Plan 2015 of TeamLease Services Limited 2. Approval of the new Grants under ESOP Scheme, 2015

b) Special Resolutions passed through postal ballot during the Financial Year 2017-18:

1. Altering the Objects of the Initial Public Offer (IPO) for which amount was raised

The above Special Resolution was passed through Postal Ballot. Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, was appointed as the Scrutinizer for overseeing the Postal Ballot voting process. The details are as follows:

Date of Postal Ballot Notice: August 08, 2017

Voting period: August 20, 2017 to September 18, 2017

Date of approval: September 18, 2018

Date of Declaration of Results: September 19, 2017

Details of Voting Pattern:

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes - against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	7433558	7428215	99.9281	7428215	0	100.0000	0.0000
Public Institutional Holders	6089988	5696846	93.5445	5696846	0	100.00	0.0000
Public-Non- Institutions	3573223	1064147	29.7812	1064130	17	99.9984	0.0016
Total	17096769	14189208	82.9935	14189191	17	99.9999	0.0001

2. Increase in the limit of investment by FI/FPI from 24% to 75%

The above Special Resolution was passed through Postal Ballot. Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, was appointed as the Scrutinizer for overseeing the Postal Ballot voting process. The details are as follows:

Date of Postal Ballot Notice: January 16, 2018

Voting period: January 22, 2018 to February 20, 2018

Date of approval: February 20, 2018

Date of Declaration of Results: February 20, 2018

Details of Voting Pattern:

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes – against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	7362393	7357050	99.9274	7357050	0	100.0000	0.0000
Public	6935623	6041370	87.1064	6041370	0	100.0000	0.0000
Institutional Holders							
Public–Non- Institutions	2798753	1809690	64.6606	1809646	44	99.9976	0.0024
Total	17096769	15208110	88.9531	15208066	44	99.9997	0.0003

c) Postal Ballot conducted during the year 2018-19

1. Shifting the Registered Office of the Company from State of Maharashtra to the State of Karnataka

The above Special Resolution was passed through Postal Ballot. Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, was appointed as the Scrutinizer for overseeing the Postal Ballot voting process. The details are as follows:

Date of Postal Ballot Notice: May 16, 2018

Voting period: May 26, 2018 to June 25, 2018

Date of approval: June 25, 2018

Date of Declaration of Results: June 26, 2018

Details of Voting Pattern:

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes – against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	6981243	6071487	86.9686	6071487	0	100.0000	100.0000
Public	7720627	6125060	79.3337	6125060	0	100.0000	100.0000
Institutional Holders							
Public–Non- Institutions	2394899	474235	19.8019	474213	22	99.9954	0.0046
Total	17096769	12670782	74.1121	12670760	22	99.9954	0.0002

2.a. Approval for creation of fresh ESOP pool of 1.5% of the paid-up share capital of the Company

The above Special Resolution has not been passed with the requisite majority as the votes cast in favor of said resolutions were less than three times the votes cast against the same.

Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, was appointed as the Scrutinizer for overseeing the Postal Ballot voting process. The details are as follows:

Date of Postal Ballot Notice: July 24, 2018

Voting period: September 07, 2018 to October 06, 2018

Date of rejection: October 06, 2018

Date of Declaration of Results: October 08, 2018

Details of Voting Pattern:

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes – against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	6981243	6071487	86.9686	6071487	0.0000	100.0000	0.0000
Public	8459345	5562193	65.7521	604004	4958189	10.8591	89.1409
Institutional Holders							
Public–Non- Institutions	1656181	440748	26.6123	61679	379069	13.9942	86.0058
Total	17096769	12074428	70.6240	6737170	5337258	55.7970	44.2030

2.b. Approval for grant of options to the employees of the Subsidiary/Associate Company(ies) of the Company under Employees Stock Option Plan 2018 (ESOP 2018)

The above Special Resolution has not been passed with the requisite majority as the votes cast in favor of said resolutions were less than three times the votes cast against the same.

Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, was appointed as the Scrutinizer for overseeing the Postal Ballot voting process. The details are as follows:

Date of Postal Ballot Notice: July 24, 2018

Voting period: September 07, 2018 to October 06, 2018

Date of rejection: October 06, 2018

Date of Declaration of Results: October 08, 2018

Details of Voting Pattern:

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes – against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	6981243	6071487	86.9686	6071487	0.0000	100.0000	0.0000
Public	8459345	5562193	65.7521	604004	4958189	10.8591	89.1409
Institutional Holders							
Public–Non- Institutions	1656181	440748	26.6123	61679	379069	13.9942	86.0058
Total	17096769	12074428	70.6240	6737170	5337258	55.7970	44.2030

d) Procedure for postal ballot:

In compliance with Regulation 44 of SEBI LODR, Regulation, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act 2013 read with the Rules prescribed; the Company provides remote electronic voting (e-voting) facility to all its members to enable them to cast their votes electronically. The Company engages the services of Karvy Computershare Private Limited, its Registrar and Share Transfer Agents, for the purpose of providing e-voting facility to all its Members.

The Members have the option to vote either by physical ballot or e-voting. The Company dispatches the Postal Ballot Notices and Forms along with postage pre-paid business reply envelopes to its Members whose names appear on the Register of Members/ list of Beneficiaries as on the cut-off date. The Postal Ballot Notice is sent to members in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also publishes notice in the newspapers in English and Marathi languages declaring the details of completion of dispatch, and other requirements as mandated under the Act and applicable Rules and Secretarial Standard on General Meetings (SS-2). The declaration of results of the Postal Ballot are posted on the Website of the Company besides on the portals of BSE Limited and National Stock Exchange of India Limited.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The Scrutinizer submits his Report to the Chairman or any other person of the Company authorised by the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are accordingly declared by the Company within the stipulated time frame. The Results and the Report of the Scrutinizer are hosted on the Company's website www.teamleasegroup.com besides being communicated to the Stock Exchanges and Registrar and Share Transfer Agents. The last date of receipt of the duly completed Postal Ballot Forms or e-voting is deemed to be the date of passing of the resolutions, if approved by the requisite majority.

2. Means of Communication**1. Quarterly Results:**

The quarterly and year to date financial results of the Company are published in leading newspapers in India which include, Financial Express and Jana Shakthi. The results are also displayed on the Company's website under <https://www.teamleasegroup.com/quarterly-results>.

2. News Releases, Presentations:

Official news/Press releases are sent to the stock exchanges and also displayed on the Company's website <https://www.teamleasegroup.com/node/640>.

3. Presentations to Institutional Investors/ Analysts

Presentations are made to institutional investors and financial analysts on quarterly financial results of the Company. These presentations are also uploaded on the Company's website <https://www.teamleasegroup.com/webcasts-presentations> and also sent to stock exchanges. The schedule of meetings with institutional investors/ financial analysts are intimated in advance to the stock exchanges and disclosed on Company's website.

4. Website:

The Company's website <https://www.teamleasegroup.com> contains a separate and dedicated section "Investors" wherein Shareholders information is available. The information such as Press Releases, Notice of the Board meeting, Revision in Credit Rating, Clippings of Newspaper Publications etc., are uploaded on the website from time to time. The Company's Annual Report is also uploaded on the website in a user-friendly and downloadable form.

5. NSE Electronic Application Processing System (NEAPS)

NEAPS is a web based application designed by NSE for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases are electronically filed on NEAPS.

6. BSE Corporate Compliance & Listing Centre ('Listing Centre')

BSE's Listing Centre is a web based application designed for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases are electronically filed on the Listing Centre.

7. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/resolved electronically in the SEBI SCORES system.

VI. General Shareholders Information

A. Company Registration Details

The members of the Company have approved the shifting of the Registered Office of the Company from the State of Maharashtra to the State of Karnataka i.e., from "Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra – 400051" to "6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore – 560095". The Company has received Order from Regional Director, Western Region on October 25, 2018 and filed the same respective authority as on October 27, 2018. The Company is yet to file Form INC-22 as on date subject to approval of Form INC-28 as on date. The CIN of the Company shall change subject to filing and approval of Form INC-22.

C. Listing on Stock Exchanges:

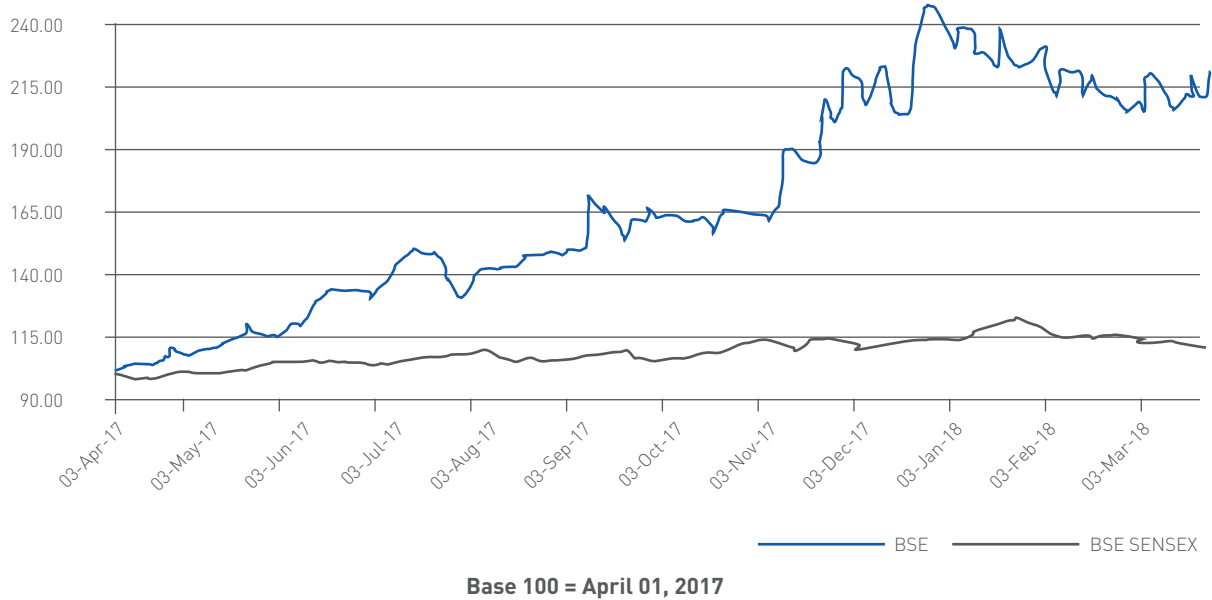
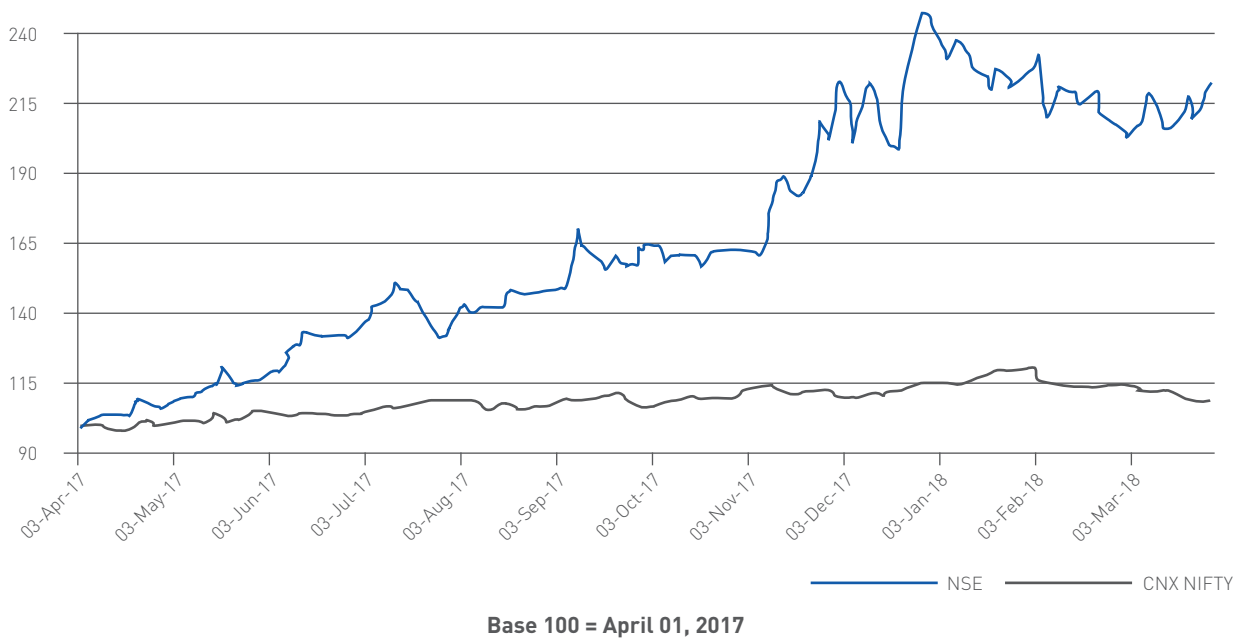
Name of the Stock Exchange	Address of the Stock Exchange	Stock Code	ISIN
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai 400-051 www.nseindia.com	TEAMLEASE	INE985S01024
BSE Limited	Floor 25, PJ Towers, Dalal Street, Mumbai – 400-001, www.bseindia.com	539658	

Listing Fees as applicable have been paid for the FY 2017-18.

D. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on National Stock Exchange of India Limited and BSE Limited:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-17	1,131.15	970.35	209322	1,120.00	982.00	35031
May-17	1,264.80	1,052.00	299784	1,259.50	1,054.00	14349
Jun-17	1,381.00	1,146.00	301209	1,370.00	1,164.70	16287
Jul-17	1,536.90	1,271.00	298763	1,586.85	1,270.00	85890
Aug-17	1,523.00	1,357.20	300162	1,522.60	1,354.00	11267
Sep-17	1,776.00	1,466.00	376603	1,771.00	1,465.50	63708
Oct-17	1,670.00	1,562.00	65714	1,671.00	1,560.00	3749
Nov-17	2,310.00	1,595.05	1330218	2,302.90	1,597.15	50901
Dec-17	2,543.70	1,968.65	418690	2,536.80	1,965.45	117636
Jan-18	2,520.00	2,162.05	357486	2,520.00	2,160.10	32238
Feb-18	2,350.00	1,961.80	213026	2,350.00	1,951.05	7764
Mar-18	2,392.00	1,998.00	1847970	2,387.25	1,990.10	388368

E. Performance of the share price of the Company in comparison to the BSE Sensex:**TeamLease share price and Sensex Movement****F. Performance of the share price of the Company in comparison to the CNX NIFTY:****TeamLease share price and NIFTY Movement**

G. Registrar and Share Transfer Agent

The Company has appointed Karvy Computershare Pvt. Ltd., as **Registrars and Transfer Agents (R&T Agents)** who are registered with SEBI as share transfer agents under registration number INR000000221 and the contact details are as follows: :

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500032.
Telangana, India.

Tel: +91 040 67162222

Fax: +91 040 23001153

Email: einward.ris@karvy.com

H. Share Transfer System

The matter connected with the share transfer/transmission and other related matters are being handled by Registrars and Transfer Agents located in the addressed mentioned above.

Share lodged for transfer are normally processed with 15 days from the date of lodgment, if the documents are clear in all respects.

All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from the investors and other miscellaneous correspondences relating to change of address, mandates, etc., are processed by the R & T agents within 7 days.

Certificates are being obtained and submitted to Stock Exchanges on half yearly basis, from a Company Secretary in practice towards due compliance of share transfer formalities by the company within the due dates, in terms of Regulation 40 (9) of SEBI LODR, Regulation 2015.

The Company as required under Clause 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, has designated the following email IDs namely corporateaffairs@teamlease.com for the purpose of registering complaints if any by the investors and expeditious redressal of their grievances.

The shareholders are therefore, requested to correspond with the R & T Agents for transfer/transmission of shares, change of address and queries pertaining to their shareholdings at the address given in this report.

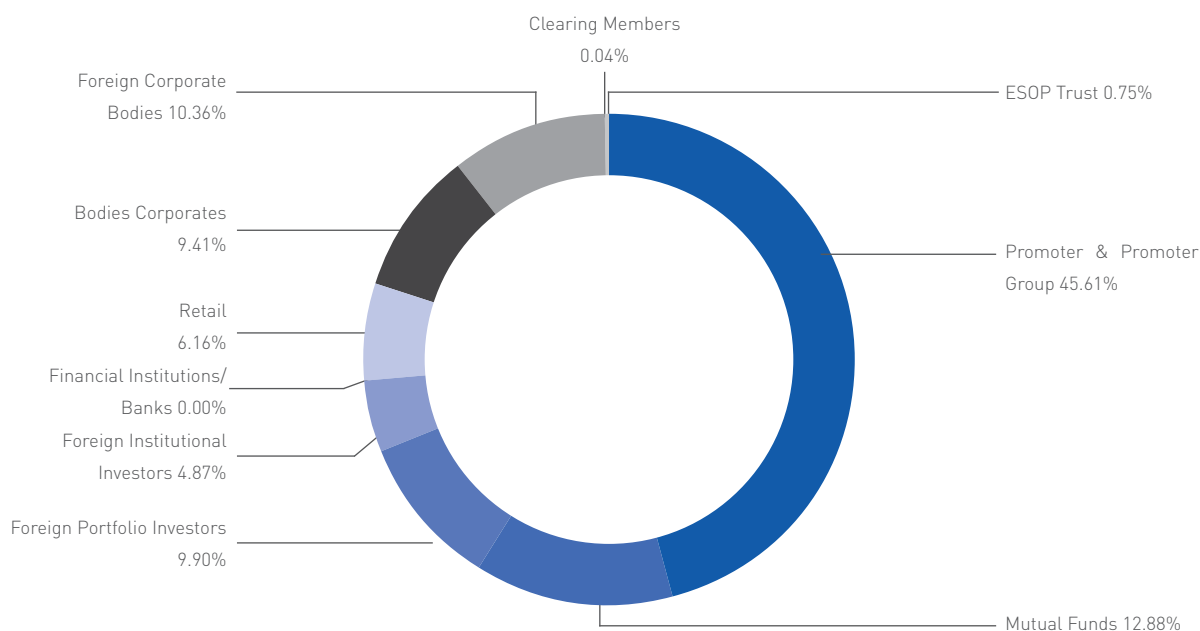
I. SHAREHOLDING AS ON MARCH 31, 2018

a. Distribution of equity shareholding as on March 31, 2018:

Number of shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
Upto 5000	2310650	1.35%	6798	96.04%
5001 – 10000	730200	0.43%	97	1.37%
10001 – 20000	765120	0.45%	56	0.79%
20001 – 30000	611680	0.36%	24	0.34%
30001 – 40000	361000	0.21%	10	0.14%
40001 – 50000	222810	0.13%	5	0.07%
50001 – 100000	1045920	0.61%	16	0.23%
100001 & ABOVE	164920310	96.46%	72	1.02%
Total:	170967690	100	7078	100

b. Category wise shareholding as on March 31, 2018:

Category	Number of equity shares held	Percentage of holding
Promoter & Promoter Group	72,37,693	42.33%
Mutual Funds	9,93,219	5.81%
Foreign Portfolio Investors	55,50,007	32.46%
Foreign Institutional Investors	1,96,524	1.15%
Financial Institutions/Banks/AIFs	22,147	0.13%
Retail (Individual/HUF/NRI)	7,82,365	4.58%
Bodies Corporates	10,61,252	6.21%
Foreign Corporate Bodies	11,14,324	6.52%
Clearing Members	66,523	0.39%
ESOP Trust	72,715	0.43%
Grand Total	1,70,96,769	100.00%

Category of shareholding**c. Top ten equity shareholders of the Company as on March 31, 2018**

Sl. No	Name of the shareholder	Number of equity shareholders held	Percentage of holding
1	HR OFFSHORING VENTURES PTE LTD	45,71,779	26.74%
2	NED CONSULTANTS LLP	16,24,416	9.50%
3	GPE (INDIA) LTD	11,14,324	6.52%
4	DHANA MANAGEMENT CONSULTANCY LLP	9,04,413	5.29%
5	FIL INVESTMENTS(MAURITIUS)LTD	7,56,053	4.42%
6	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	7,50,808	4.39%
7	GOLDMAN SACHS INDIA LIMITED	7,00,801	4.10%
8	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH & EMERGING MARKETS BROAD EQUITY PORTFOLIO	5,69,866	3.33%
9	J P MORGAN FUNDS	5,09,180	2.98%
10	INDUS INDIA FUND (MAURITIUS) LIMITED	4,37,856	2.56%

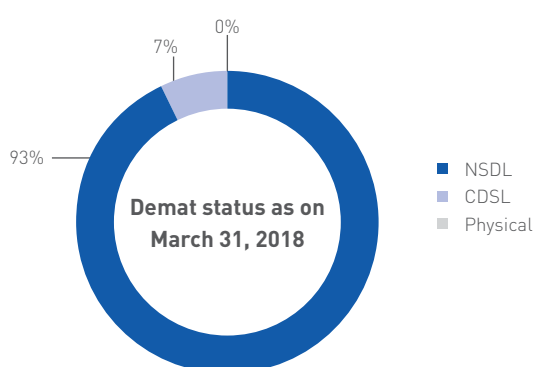
J. Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on National Stock Exchange of India Limited and BSE Limited. Equity shares of the Company representing 99.98% of the Company's equity share capital are dematerialized as on March 31, 2018.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE985S01024.

K. Shares held in dematerialised status as on March 31, 2018:

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	15980466	93.47%
Shares held in CDSL	1113734	6.51%
Shares held in Physical form	2569	0.02%



L. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

M. Commodity Price Risk or Foreign Exchange Risk and Hedging activities

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk and therefore no question of hedging arises.

The Company has not entered into foreign currency swap/ derivative transactions to cover the risk exposure on account of foreign currency transactions.

Your Company follows the Accounting Policy and Disclosure Norms for swap/derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The foreign exchange exposure as on March 31, 2018 is NIL.

N. Branch Locations:

In view of the nature of the Company's business viz. Staffing Solutions and others, the Company operates from various offices in India. Details thereof are available at <https://www.teamleasegroup.com/contact>

O. Address for correspondence:

TeamLease Services Limited
6th Floor, BMTC Commercial Complex
80 feet road, Koramangala,
Bengaluru 560 095, Karnataka, India
Tel: + 91 80 3300 2345, Fax: + 91 80 3324 3001
Website: www.teamleasegroup.com
E-mail: corporateaffairs@teamlease.com

VII. Other Disclosures:

a) Materially Significant Related party transactions:

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI (LODR) Regulations, 2015 during the year under review were in the ordinary course of business and at arm's length prices. These have been approved by the Audit Committee. The Board of Directors has approved a Policy for Related Party Transactions which has been uploaded on the Company's website at the following link <https://www.teamleasegroup.com/policy-documents>

b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2015-16, 2016-17 and 2017-18: NIL.

c) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI LODR Regulations, 2015 for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairperson of the Audit Committee. The said policy has been also put up on the website of the Company at the following link <https://www.teamleasegroup.com/policy-documents>.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements: The Company duly complied with all the mandatory requirements of the Listing Regulations. The Company has not adopted any non-mandatory requirements.

e) The Company has framed the Policy on determination of the Material Subsidiary and accordingly none of the subsidiaries of the company fall within the ambit prescribed by the Material Subsidiary Policy. The Policy is also posted in the website of the company with the following link <https://www.teamleasegroup.com/policy-documents>.

f) The Board of Directors in their meeting held on March 30, 2016 has approved the policy pertaining to determination and disclosure of the material events/information. Accordingly any such material events/information will be disclosed to the concerned either by Managing Director or Chief Financial Officer or Company Secretary. The policy on determination and disclosure of material events/information is posted in the website of the company with the following link <https://www.teamleasegroup.com/compliance-documents>.

g) Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

h) Code of Conduct:

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2018. The annual report of the Company contains a certificate by the CEO and Managing Director in terms of SEBI LODR Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

i) Subsidiary Companies:

The Audit Committee reviews the Consolidated Financial Statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings along with a Report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material Indian subsidiary companies.

j) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI LODR Regulations, 2015:

a. The Statutory Auditors' Report on Financial Statements of the Company are unqualified.

b. Mr. Manish Mahendra Sabharwal is the Chairman of the Company and Mr. Ashok Reddy is the Managing Director of the Company. The Company has complied with the discretionary requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

Disclosures with respect to demat suspense account / unclaimed suspense account: NIL.

k) Code for Prevention of Insider Trading Practices

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons/ employees/ directors, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the Code.

l) CEO/CFO Certification

The Managing Director (MD) and Chief Financial Officer (CFO) of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of SEBI LODR for the financial year ended March 31, 2018.

VIII. Request to Shareholders

Shareholders are requested to follow the general safeguards/ procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

Transfer of Shares:

SEBI amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 which has mandated that transfer of securities would be carried out in dematerialized form only. These regulations shall come into force on the one hundred and eightieth day from the date of its publication in the Official Gazette. In this regard, the Company is required to take special efforts through their RTAs to send letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f. December 5, 2018 and Company is in due compliance with such process. The shareholders may continue to hold shares in physical form but transfer of shares will be in dematerialized form only.

However, in case of transfer of shares in physical mode till the effective date of the above amendment, shareholders should

fill up complete and correct particulars in the transfer deed for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature to the R & T Agents duly attested by a bank.

In terms of SEBI's circular No. MRD/DoP/Cir-05/1009 dated 20 May 2009; it has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares to be held in physical mode.

In case of loss / misplacement of share certificate, shareholders should immediately lodge a FIR/Complaint with the police and inform the Company/ R & T Agents with original or certified copy of FIR/acknowledged copy of complaint for making stop transfer of shares.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Section 72 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014, provides facility for making nominations by shareholders in respect of their holdings of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/ her nominees without having to go through the process of obtaining succession

certificate/probate of will etc. Shareholders who have not availed nomination facility are requested to avail the same by submitting the nomination Form in SH-13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of Address:

Shareholders are requested to update their addresses and registered with the company, directly through the R & T Agents to receive all communications promptly. Shareholders holding shares in electronic form are requested to deal only with their DPs in respect of change of address and furnishing bank account number etc.

IX. Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of Annual Report through electronic means to such of the shareholders whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the company or with the depositories.

To support this green initiative of the Government, shareholders are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the R&T Agents, in case the share are held in physical form and also intimate changes, if any in their registered e-mail addresses to the company/DPs, from time to time.

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Ashok Reddy

Managing Director
DIN: 00151814

Place: Bangalore
Date: October 30, 2018

Secretarial Auditor's Certificate on Corporate Governance

**TO
THE MEMBERS OF
TEAMLEASE SERVICES LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s. TeamLease Services Limited ('the Company'), for the year ended on March 31, 2018, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year April 1, 2017 to March 31, 2018.

We have been requested by the management of the Company to provide a certificate on compliance of Corporate Governance under the relevant provisions of Listing Regulations as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as amended from time to time.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682, CP No.: 4157

Place: Mumbai
Date: October 30, 2018

CEO and CFO Certification

To,
The Board of Directors,
TeamLease Services Limited

We, Ashok Reddy, Managing Director and Ravi Vishwanath, Chief Financial Officer of TeamLease Services Limited, to the best of our knowledge and belief, certify that:

- 1) We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report for the year ended March 31, 2018 and to the best of our knowledge and belief :
 - a. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit Committee that:
 - a. There has not been any significant change in internal control over financial reporting during the year under reference;
 - b. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bangalore
Date: May 16, 2018

Ashok Reddy
Managing Director
DIN: 00151814

Ravi Vishwanath
Chief Financial Officer

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Section A – General Information about The Company

- 1 Corporate identity number (CIN) of the Company : L74140MH2000PLC124003
- 2 Name of the Company : TeamLease Services Limited
- 3 Registered address : Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India
- 4 Website : www.teamleasegroup.com
- 5 E-mail id : corporateaffairs@teamlease.com
- 6 Financial year reported : April 1, 2017 to March31, 2018
- 7 Sector(s) that the Company is engaged in (industrial activity code-wise):

NIC Code of the Product/Service	Description
78100	Activities of employment placement agencies
78200	Temporary employment agency activities
78300	Human resources provision and management of human resource

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet):
 - a. Temporary Staffing
 - b. Permanent Recruitment
 - c. Regulatory Consulting
9. Total number of locations where business activity is undertaken by the Company:
 - a. Number of International Locations : None
 - b. Number of National Locations : 8
10. Markets served by the Company : India

Section B: Financial Details of the Company

Sl. No.	PARTICULARS	2017-18	
		Standalone	Consolidated
1.	Paid-up Capital	170.97	170.97
2.	Total Turnover	34,651.21	36,397.49
	Revenue from Operations	34,407.41	36,241.15
	Other Income	243.80	156.34
3.	Profit After Tax	725.57	734.56

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Nil

Section C: Other Details

i. Does the Company have any Subsidiary Company/ Companies?

Yes.

ii. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

No.

iii. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/ policies:

The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

Sl. No.	Name	DIN	Designation
1	V. Raghunathan, Chairman	00254091	Independent Director
2	Ashok Reddy	00151814	Managing Director
3	Manish Mahendra Sabharwal	00969601	Chairman and Whole-time Director

b) Details of the BR head:

Sl. No.	Particulars	Details
1	DIN Number	Not applicable
2	Name	Ravi Vishwanath
3	Designation	Chief Financial Officer
4	Telephone number	080-3324-3001
5	e-mail id	ravi.vishwanath@teamlease.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly areas follows

Principle 1**Ethics, Transparency and Accountability [P1]**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

Principle 2**Products Lifecycle Sustainability [P2]**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3**Employees' Well-being [P3]**

Businesses should promote the well-being of all employees

Principle 4**Stakeholder Engagement [P4]**

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5**Human Rights [P5]**

Businesses should respect and promote human rights

Principle 6**Environment [P6]**

Businesses should respect, protect, and make efforts to restore the environment

Principle 7**Policy Advocacy [P7]**

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8**Inclusive Growth [P8]**

Businesses should support inclusive growth and equitable development.

Principle 9**Customer Value [P9]**

Businesses should engage with and provide value to their customers in a responsible manner.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board. If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders'?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Governance Related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Quarterly

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company publishes the BR report which forms part of the Directors' Report on an annual basis.

MANAGEMENT DISCUSSION AND ANALYSIS [MDA]

Indian Economy Overview

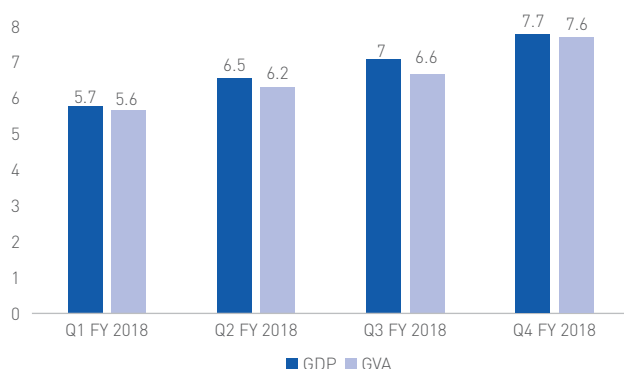
Indian Economy is one of the fastest growing economy of the world with Gross Domestic Product (GDP) of \$2.59 trillion in 2017. During the year Indian economy was affected by various headwinds such as introduction of Goods and Service Tax (GST), lingering effects of demonetization and rise in crude oil prices. This led to a decrease in GDP growth rate at 5.7% during first quarter of FY 2018. The economy experienced a fast recovery as the growth rate bounced back to 7.7% in fourth quarter of FY 2018. The overall GDP growth rate in 2017-18 stood at 6.7% lower than 7.1% growth rate in 2016-17. [Source: CSO; Economic Times]

India is home to around 1.34 billion people, i.e., 18% of the world population. The country is expected to surpass China to be the most populous country by 2024 and is expected to touch a population of 1.5 billion by 2030. With an increase in population the Indian economy is witnessing an increase in unemployment rate. Unemployment rate of the country increased from 3.89% in April 2017 to 6.03% in March 2018. [Source: CMIE; Times of India, The World Population Prospects 2017 by UN]

Outlook

The Indian economy is expected to stabilize by first half of FY 2019 mainly due to increase in investment, fading impact of GST, positive impact of structural reforms, improvement in efficiency and increase in trade owing to reduction in trade barriers. As a result, the economy is estimated to expand at a

GDP and Gross Value Added (GVA) growth rate in FY 2018 (in %)



[Source: Bloomberg, CSO]

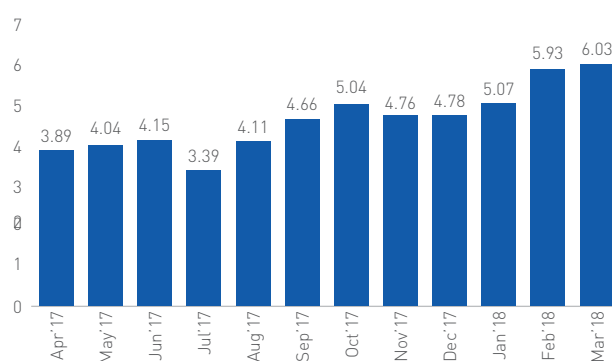
GDP growth rate of 7.4% in FY 2019 and 7.8% in FY 2020. Indian economy is expected to be \$1 trillion worth digital economy by 2022 and the third largest economy by 2030 with a GDP of \$10 trillion. [Source: IMF; Business Standard]

Global Staffing Industry

The staffing industry has been leading in a dynamic world of work for over a decade. This is mainly because the industry serves as an enabler in the labor market. It offers a wide range of HR services such as direct recruitment, career management, recruitment process outsourcing and managed services provision. Every year around 50 million people access the labor market out of which 43 million enter the labor market through various agencies present around the world. [Source: World Economic Confederation]

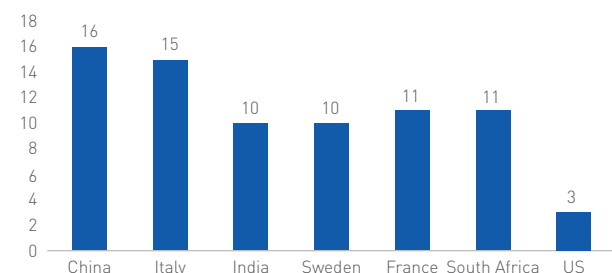
The global staffing industry which grew at 5% in 2016, is estimated to grow at 6% in 2017 as well as in 2018. The growth rate is on a constant currency basis. Growth of global staffing industry is mainly driven by the growth in Japanese, German, French and Italian staffing markets. China's staffing industry is expected to grow at the highest rate of 16% in both 2017 and 2018. Around 89% of the world's staffing revenue comes from temporary staffing industry. The global staffing industry is expected to experience a mix of uncertainties, with some markets growing at lower rates while other markets experiencing a robust growth in the market. [Source: Staffing Industry analysts and Statista]

Unemployment Rate in India (in %)



[Source: CMIE]

Expected Growth of Staffing Industry in 2018 (in %)



[Source: Statista]

Indian Staffing Industry

Indian Service sector accounts for a share of 55.2% in the country's GVA. Further, it continues to be the key driver for Indian economic growth contributing around 72.5% to the growth of GVA in 2017-18. The service sector of India is estimated to grow at a rate of 8.3% in 2017-18. The Indian staffing industry provides with both temporary staffing solutions and permanent staffing solutions. The staffing industry in India is known for providing the following services:

- Salary or Payroll and Compliance
- Contracting and consulting
- Talent Acquisition Technology

- Process Outsourcing
- Other workforce related services

The Indian Staffing industry is expected to be worth ₹700 billion in FY 2018 contributing around 68% to the overall HR solutions industry. General staffing contributes 75% to the staffing industry. It is further expected to grow by 16.8% to be a ₹1.1 trillion industry by 2021. The industry deals with the problem of having more number of unorganized players in the market working as a disadvantage for the organized players. Around 80% of the flexi staffing industry is unorganized. This problem is expected to resolve gradually with introduction of the new tax regime. GST is expected to formalize the staffing industry, and provide with an edge to the current organized participants of the industry. (Source: Motilal Oswal report and JM Financial Report)

Section 80JJAA expected to provide a boost to the industry

Benefits under Section 80JJAA of the Income Tax Act has been expanded to the service sector with effect from 1st April 2017. Under this section companies will be given a deduction of 30% of the additional employees cost of the previous period in three consecutive assessment years.

Conditions to avail the deduction under this section:

- There should an increase in the number of employees
- Payment of compensation and other benefits to the employees should be made by an account payee cheque or bank draft or by use of electronic clearing system through a bank

Additional employee is one who adds to the total employee count and is subject to:

- Compensation of less than ₹25,000 per month
- The employee has provided employment for a period of more than 240 days during the previous year
- Participation in the recognized provident fund

Benefits under this section will help in reducing the tax expense for the staffing industry and thus help to improve the PAT of companies in this industry. (Source: Motilal Oswal Report)

Flexi Staffing Industry

Flexi staffing or temporary staffing solutions started to gain importance since the past few years. This happened as the companies started understanding the need for organized staffing and workforce solutions. In flexi staffing the company enters into a service level agreement with the client and provides it with an employee for a specific duration or project. The employees are then sent to client's location to work under guidance and supervision of the client. On one hand, the company gets paid by the client on a per employee per month basis. On the other hand, the company has to pay salary and other mandatory payments to the employees.

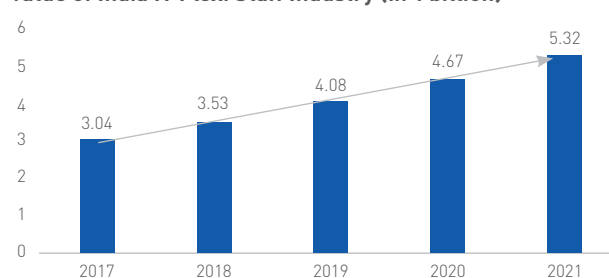
Indian flexi staffing industry is worth over ₹27,000 crore, and it is expected to be third largest in the world to employ a total of 2.9 million flexi staffs by 2018. India's flexi staffing industry is expected to experience a double digit growth of 12% in 2017-18. According to ISF, the industry is expected to account for over 10% of the country's total formal sector workforce. The revenue of temporary general staffing is forecasted to grow at a CAGR of 19%, contributing an amount of ₹918 billion. This will happen as the demand for temporary workers is estimated to go up to 9 million in the coming years. The flexi staffing industry

currently accounts for 0.5% of India's workforce, this is lower than average of 1.6% at global level. (Source: Motilal Oswal report and JM Financial Report and Financial express)

IT Flexi Staffing Industry

Global IT staffing industry is valued at \$59 billion as of FY16. Indian IT Flexi staffing industry accounts for 4.8% of global IT staffing industry and 28% of APAC's IT flexi staffing industry. The Indian IT Flexi staffing industry is worth \$3.04 billion as of FY17 and is anticipated to be a \$5.3 billion industry by FY21. Around 0.26 million IT flexi staff in India constitutes 11% of the

Value of India IT Flexi Staff Industry (in ₹ billion)



total flexi staff of the country. The number of IT flexi staff is expected to go up to 0.33 million by 2021. IT flexi staff industry has a market penetration of 5.6%, where exports contribute around 70% to the total IT staffing industry of India. (Source: KPMG report, ISF)

Benefits of IT Flexi Staff Industry

Companies adopt IT flexi staffing because of the following benefits that the industry offers.

- Niche Skillset- To exploit the skills in niche technology
- Just in Time- To meet the deadlines or for immediate requirements
- Flexibility- To provide scalability in human resource planning
- Cost Benefit- To reduce long term cost that is spent on permanent staff
- Company Policies- To adhere with the firm's statutory policies

Industry Outlook

The year 2018 is expected to be an important year for the staffing industry in India, with various sectors planning to hire at a faster rate than before. The pay hikes is expected to reach at 10-15% in 2018 as compared to that of 8-10% in 2017. The number of new temp jobs is expected to touch 3,00,000 in 2018 as compared to that of 1,30,000 in 2017. India's flexi staff workforce of 13 lakhs is estimated to go up to 90 lakhs by 2025. Currently, 82% of the flexi staff in India is under the age of 30 years. It is expected that in the coming years, the industry will include more young people into this number. With GST working as a catalyst to formalize the industry, differences between unorganized and organized players of the industry is expected

to reduce. The IT flexi staffing industry is also anticipated to grow with IT/ITeS driving growth of the industry. (Source: The hindu business line)

Company Overview

TeamLease Services Limited which is a fortune 500 company has a presence in 150 locations. It has a clientele of more than 2200 corporate clients and 1800 employees present across the country. Over a period of time, the associate/trainee base of TeamLease has grown at a Compound Annual Growth Rate (CAGR) of 24.80%. The company with a market share of 5-7%, is India's leading organized flexi staffing company. The company is at edge of redefining its path of growth with various factors expected to work as a tailwind over the next decade. The company has a well-established performance history of functional excellence. This provides the company with a position from where it can utilize the benefits offered by formalization of the industry. (Source: Company website and Antique stock broking report)

National Employability Through Apprenticeship Program (NETAP)

NETAP is Public Private Partnership program of Ministry of Skill Development & Entrepreneurship, TeamLease Skills University, Confederation of Indian Industry (CII) and National Skill Development Corporation (NSDC). It is a program under National Employability Enhancement Mission of the Ministry of Human Resources Development (All India Council for Technical Education). NETAP aims to hire 2 lakh apprentices per annum for the next decade. It is structure in a way that it can overcome the problems with the Apprenticeship Act. NETAP program qualifies for credit towards certificates, diplomas and degrees available online by the TeamLease Skills University. (Source: Company Website)

SWOT Analysis

Strengths

- **Scale-** The company is well-established to utilize various opportunities provided by the staffing industry. This will happen because of numerous advantages provided by the scale, functional abilities and geographical presence of the company. TeamLease being a market leader, will be a direct beneficiary of growth in the industry.
- **Execution expertise-** TeamLease handles around 1,55,000 associates across 2200 clients spread all over the country. These associates have an attrition rate of over 60%. Thus, the company needs to continuously maintain efficiency in procuring, processing and managing the associates. TeamLease has successfully executed this putting it in a better position than its competitors.
- **Monetization -** The business of TeamLease requires it to go through the compliance and regulation, payroll, and training and development at a large scale. The company in its process to succeed has gained experience in these areas. This allows the company to monetize these areas by offering these services to its clients.

Weakness

- **Lack of Diversification-** TeamLease was late in identifying the opportunities that were available in specialized staffing. The company till now focused on general staffing which yields low margins and reflects large scale. Specialized staffing helps to earn higher yields and increases the profitability. This is reflected in stronger financial positions and simultaneous high valuations.

Opportunities

- **Under Penetration-** There is under penetration in the staffing industry of India providing more opportunities for volume growth. Further growth will take place due to wage inflation better business mix. Thus, a sustained growth of more than 20% is created in this area.
- **Other business services-** TeamLease gets majority of its revenue from general staffing solutions. Other HR solutions remains as an opportunity for the company to grow and improve its profitability. A high growth in these areas will provide the company with an opportunity to take advantage of it.
- **Client mining-** The company gets 80% of its revenue from 1900 customers. This makes it a company with satisfactory number of clients but low revenue per customer. There is an opportunity for to increase the revenue per client, and thus improve the share of revenue from these clients. A strong client base low future sales and marketing cost to increase the number of its clients.

Threats

- **Loss of key clients-** Top 5 to 10 clients of TeamLease accounts for 14-20% of the company's revenue. There lies a risk for the company to face a reduction in its revenue with loss of top clients. More dependency on a limited number of clients or industry, will work as a threat to experience reduced revenue with a challenge posed in front of these clients or industries.
- **Correlation with economic cycles-** The staffing industry is highly dependent on economic cycle of the country. Despite India being an under penetrated market with opportunities available for growth, a negative fall in the economic activity could lead to a major decrease in the financial performance of TeamLease. In case of an economic downturn, the company could face a challenge in terms of recording a stable revenue. [Source: Motilal Oswal Report]

Acquisitions by the Company

- ASAP Info Systems Private Limited - ASAP Info Systems offers IT staffing services to leading IT MNCs of India. TeamLease acquired it in 2016 to get an edge in the IT staffing industry.
- Keystone Business Solutions Private Limited - Keystone specializes in delivering IT services to some of the leading customers from banking, manufacturing, retail and healthcare industries. It was acquired by TeamLease in 2017 to strengthen its IT staffing business.
- Nichepro Technologies Private Limited - Nichepro is primarily engaged in the business of providing IT staffing solutions, consultancy, and other services. It was acquired by the Company in 2016 to add IT staffing as a new offering.
- Evolve Technologies & Services Private Limited- Evolve provides staffing solutions to the telecom industry. TeamLease acquired it in 2017 to enter into specialized Telecom staffing business.
- Cassius Technologies Private Limited - Cassius or Fresherworld.com is a job site for entry level hiring in India with millions of unique visits every month. The Company had made an investment of 30% stake in Cassius or Fresherworld on June 01, 2017. The Company has further acquired additional 21% stake and pursuant to such an investment, Cassius or Fresherworld became subsidiary company w.e.f. Aug 1, 2018.
- Schoolguru Eduserve Private Limited- Schoolguru partners with various universities across India to help them provide premium online and virtual courses for their students. The Company has acquired 22.19% equity stake in Schoolguru.

Financial Performance

Particulars	FY 2018 (₹ in lakhs)	FY 2017 (₹ in lakhs)	Y-o-Y Change (in %)
Revenue	3,62,412	3,04,129	19.16
EBIDTA	6,852	3,704	84.99
PAT	7,346	5,757	27.60
PBT	7,279	5,151	41.31
Cash and Cash Equivalents	7,293	2,557	185.22

During the year, the Company experienced an increase of 19.16% in revenue mainly due to acquisitions and investments that contributed to our financial growth. This along with a rise of 84.99% in EBIDTA led to an increase of 67 bps in EBIDTA margin from 1.22% in FY 2017 to 1.89% in FY 2018. With increase in revenue along with an improvement in efficiency PAT increased by 41.31% and PAT margin increased by 14 bps at 2.03% in FY 2018 from 1.89% in FY 2017.

In 2017-18, the Company did not only improve its profitability levels but it also strengthened its financial position. This happened as there was an increase in fixed assets of 99.30% from ₹272.28 lakhs in FY 2017 to ₹542.65 lakhs in FY 2018. Also, there was an increase in total equity by 20.56% to reach at ₹44,166.72 lakhs. With an increase of 16.27% in current assets to ₹48,626.94 lakhs there was improvement in net working capital.

Risk Mitigation

Experience Risk

TeamLease was established in 2002 and is in the staffing business since 2004. Company has with it an experience of 14 years in the staffing business. Moreover, company is a market leader in the flexi staffing industry providing it with an edge to be the first one to exploit the opportunity opened up by the industry.

Economy Risk

The staffing industry can be easily affected by a downturn in economic activities of the country. An economic downturn can thus have a negative affect on performance of the company. TeamLease is in the business of temporary staffing since 2004. With time the company has gained experience to deal with the challenges posed by the industry. Thus, an economic downturn might affect the company but it will be lower than the rate at which it will affect its competitor's business.

Geographical Risk

Location risk is when the company does not have a wide presence. In service sector, more is the number of places the company is present in, more will be the opportunities available for the company. TeamLease is present in 29 states and has a wide network of partnerships. The company is successfully delivering its services to 6000 different locations.

Industry Risk

TeamLease deals in the staffing industry of India. The staffing industry is currently an under penetrated market. A huge number of opportunities are available to be exploited by the companies present in this industry. Moreover, the HR solutions market also remains unexploited which if captured can help to earn increased profitability.

Client Concentration Risk

The company at any given point of time has a client base of more than 2500 clients. Its top 5 to 10 clients contribute just 15-20% to revenue of the company. This eliminates the client concentration risk for the company as a share of 80% of revenue is independent of the revenue from top clients.

Regulatory Risk

In India, there are various acts and laws to check upon the wages and salaries paid to the employees. To avail the deduction under section 80JJAA, TeamLease will have to comply with the rules and regulations laid down by these acts or laws. Thus, TeamLease will not face any challenge on the ground of paying low wage or salary.

Outlook

Moving ahead, the Company plans to continue focusing on IT staffing solutions, Telecom staffing solutions and digital presence. With digitalization in India, TeamLease is expanding its network through digital platforms and it will continue to do so in the years to come. The Company will invest in these directions while improving its financial performance and position. It will also focus on its long term goal of margin expansion through higher unit utilization, productivity and digitization.

Cautionary statement

The statements made in this report describing the Company's objectives, estimations, expectations or projections, outlooks constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Services Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of TeamLease Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 for 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 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, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 18, 2017 and May 23, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Note 39 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.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal

Partner

Membership Number: 56102

Place of Signature: Bangalore

Date: May 16, 2018

ANNEXURE 1

referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” to the Independent Auditor’s report of even date on the standalone financial statements of TeamLease Services Limited.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made, guarantees and securities given, to the extent applicable, have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with appropriate authorities though there have been slight delays in depositing employees’ state insurance and professional tax and serious delays in depositing provident fund dues in certain cases.

- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable except as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Employees’ Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	22.16	August 2017	September 15, 2017	Not paid till the date of audit report

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	445.34#	April 2006 to December 2008	The Custom, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	149.41	April 2007 to September 2010	The Supreme Court of India
Finance Act, 1994	Service Tax	245.51	October 2010 to September 2015	The Commissioner of Service Tax, Bengaluru
Income Tax Act, 1961	Income Tax	352.26	Assessment Year 2015-16	The Commissioner of Income Tax (Appeals)

net of amount paid Rs. 442.46 lakhs.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. The Company has no outstanding dues to government or debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of initial public offer (IPO) for the purposes for which they were raised. The Company has not raised any money way of further public offer/ debt instruments and term loans hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where

applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal

Partner

Membership Number: 56102

Place of Signature: Bangaloro

Date: May 16, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the standalone Ind AS financial statements of TeamLease Services Limited

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 TeamLease Services 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 [the "Guidance Note"] 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these

standalone Ind AS financial statements, 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 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal

Partner
Membership Number: 56102

Place of Signature: Bangalore
Date: May 16, 2018

STANDALONE BALANCE SHEET

as at 31 March 2018

₹ in Lakhs

	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	229.30	156.04	176.51
Other intangible assets	5	213.50	487.48	700.60
Intangible assets under development		21.89	-	-
Financial assets				
Investments	6	16,923.19	9,907.15	237.15
Loans	8	7,753.01	5,281.41	2,783.72
Other financial assets	9	4,171.65	3,509.88	2,942.88
Deferred tax assets (net)	10	4,099.77	2,363.47	1,087.51
Income tax assets (net)	11	7,308.12	4,213.12	3,810.06
Other non-current assets	12	58.78	76.63	167.71
Total non-current assets		40,779.21	25,995.18	11,906.14
Current assets				
Financial assets				
Investments	7	3,231.52	1,031.17	-
Trade receivables	13	19,666.87	16,521.32	12,005.66
Cash and cash equivalents	14	7,109.54	2,259.62	4,921.70
Bank balances other than cash and cash equivalents	14	5,816.42	13,326.58	20,937.50
Loans	8	120.37	275.22	260.89
Other financial assets	9	4,793.86	5,483.43	6,594.11
Other current assets	15	1,261.11	993.97	641.49
Total current assets		41,999.69	39,891.31	45,361.35
Total assets		82,778.90	65,886.49	57,267.49
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	1,709.68	1,709.68	1,709.68
Other equity	17	41,556.43	34,127.59	28,887.09
Total equity		43,266.11	35,837.27	30,596.77
Liabilities				
Non-current liabilities				
Net employee defined benefit liabilities	18	4,268.45	3,660.48	2,825.70
Other non-current liabilities	19	489.07	487.35	498.11
Total non-current liabilities		4,757.52	4,147.83	3,323.81
Current liabilities				
Financial liabilities				
Borrowings	20	-	-	1,936.16
Trade payables	21	1,378.64	1,011.14	825.82
Other financial liabilities	22	13,387.47	14,918.70	12,277.17
Net employee defined benefit liabilities	18	2,228.40	1,396.56	927.33
Other current liabilities	23	17,760.76	8,574.99	7,380.43
Total current liabilities		34,755.27	25,901.39	23,346.91
Total liabilities		39,512.79	30,049.22	26,670.72
Total equity and liabilities		82,778.90	65,886.49	57,267.49
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 **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership Number: 56102

For and on behalf of the Board of Directors
TeamLease Services Limited

Ashok Reddy
Managing Director
DIN: 00151814

N. Ravi Vishwanath
Chief Financial Officer

Latika Pradhan
Director
DIN: 07118801

Mruthunjaya Murthy
Company Secretary
CSN: 11766

Place: Bangalore
Date: 16 May 2018

Place: Bangalore
Date: 16 May 2018

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

₹ in Lakhs

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	24	344,074.08	299,025.35
Other income	25	2,438.05	2,337.41
Total income		346,512.13	301,362.76
Expenses			
Employee benefits expense	26	331,942.57	290,114.77
Finance costs	27	110.22	88.68
Depreciation and amortization expense	28	372.34	398.94
Other expenses	29	7,024.14	5,873.62
Total expenses		339,449.27	296,476.01
Profit before tax		7,062.86	4,886.75
Tax expense:	11		
- Current tax		1,553.46	1,218.82
- Tax credit for earlier years		-	(6.22)
- Deferred tax			
Minimum Alternate Tax (MAT) credit		(1,553.46)	(1,218.82)
Deferred tax (credit)/ charge		(192.84)	(61.38)
Income tax (credit)/ expense		(192.84)	(67.60)
Profit for the year		7,255.70	4,954.35
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	31		
Remeasurement gains on defined benefits obligation		28.90	12.26
Income tax effect		(10.00)	(4.24)
Other comprehensive income for the year, net of tax		18.90	8.02
Total comprehensive income for the year, net of tax		7,274.60	4,962.37
Earnings per equity share:			
Basic and diluted (amount in ₹)	30	42.44	28.98
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 **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership Number: 56102

Place: Bangalore
Date: 16 May 2018

For and on behalf of the Board of Directors
TeamLease Services Limited

Ashok Reddy
Managing Director
DIN: 00151814

N. Ravi Vishwanath
Chief Financial Officer

Place: Bangalore
Date: 16 May 2018

Latika Pradhan
Director
DIN: 07118801

Mruthunjaya Murthy
Company Secretary
CSN: 11766

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

a. Equity share capital:

Issued, subscribed and fully paid share capital

	₹ in Lakhs	
	Numbers	Amount
Equity shares of ₹10 each:		
At 1 April 2016	17,096,769	1,709.68
Additions during the year	-	-
At 31 March 2017	17,096,769	1,709.68
Additions during the year	-	-
At 31 March 2018	17,096,769	1,709.68

Also refer note 16

b. Other equity

Particulars	Attributable to equity shareholders of the Company Reserves and surplus			Total other equity
	Securities premium	Stock option outstanding reserve	Retained earnings	Total
As at 1 April 2016	23,988.65	63.97	4,834.47	28,887.09
Profit for the year	-	-	4,954.35	4,954.35
Other comprehensive income	-	-	8.02	8.02
Total comprehensive income	23,988.65	63.97	9,796.84	33,849.46
Amount utilized for share issue expenses	(15.93)	-	-	(15.93)
Stock option compensation expense	-	294.06	-	294.06
As at 31 March 2017	23,972.72	358.03	9,796.84	34,127.59
As at 1 April 2017	23,972.72	358.03	9,796.84	34,127.59
Profit for the year	-	-	7,255.70	7,255.70
Other comprehensive income	-	-	18.90	18.90
Total comprehensive income	23,972.72	358.03	17,071.44	41,402.19
Stock option compensation expense	-	154.24	-	154.24
As at 31 March 2018	23,972.72	512.27	17,071.44	41,556.43

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 **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

Per Navin Agrawal

Partner

Membership Number: 56102

For and on behalf of the Board of Directors

TeamLease Services Limited

Ashok Reddy

Managing Director

DIN: 00151814

N. Ravi Vishwanath

Chief Financial Officer

Latika Pradhan

Director

DIN: 07118801

Mruthunjaya Murthy

Company Secretary

CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Operating activities		
Profit before tax	7,062.86	4,886.75
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	372.34	398.94
Dividend income on mutual fund investments	(99.47)	(183.42)
Finance costs	110.22	88.68
Interest income	(1,914.03)	(1,568.09)
(Gain)/loss on disposal of property, plant and equipment (net)	(0.01)	1.48
Fair value adjustments (net)	(0.95)	(3.44)
Liabilities no longer required written back	(334.44)	(146.87)
Provision for doubtful investment written back	-	(1.00)
Bad debts written off	60.36	99.40
Provision for expected credit loss	452.22	733.70
Provision for doubtful advances	-	65.17
Share-based payment expenses	154.24	294.06
Sundry balances written off	2.82	1.87
Working capital adjustments		
(Increase)/decrease in trade receivables	(3,658.14)	(5,348.76)
(Increase)/decrease in loans	79.87	(76.19)
(Increase)/decrease in other assets	(249.27)	(265.59)
(Increase)/decrease in other financial assets	(19.96)	217.45
Increase/(decrease) in trade payables and other financial liabilities	(1,206.64)	2,821.76
Increase/(decrease) in other liabilities	9,518.24	1,327.63
Increase/(decrease) in net employee defined benefit liabilities	1,468.70	1,316.28
	11,798.96	4,659.81
Income tax paid (net)	(4,648.46)	(1,615.67)
Net cash flows from operating activities	7,150.50	3,044.14
Investing activities		
Purchase of property, plant and equipment	(91.86)	(54.55)
Purchase of intangible assets (including intangibles under development)	(58.74)	(107.79)
Proceeds from disposal of property, plant and equipment	0.01	2.91
(Sale)/purchase of current investments	(2,200.35)	(1,031.16)
Dividend income on mutual fund investments	99.47	183.42
Loans and advances given to subsidiaries	(13,017.48)	(16,158.79)
Loans and advances repaid by subsidiaries	10,622.45	13,719.20
Purchase of non-current investments	(7,016.04)	(9,671.00)
Proceeds from sale of non-current investments	-	2.00
Investments in fixed deposits (net)	7,384.86	7,813.53
Interest received	2,083.62	1,633.74
Net cash flows (used in) / from investing activities	(2,194.06)	(3,668.49)

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Financing activities		
Proceeds from issue on exercise of stock options	3.70	3.04
Amount utilized for share issue expenses	-	(15.93)
Finance costs	(110.22)	(88.68)
Net cash flows (used in) / from financing activities	(106.52)	(101.57)
Net increase / (decrease) in cash and cash equivalents	4,849.92	(725.92)
Cash and cash equivalents at the beginning of the year	2,259.62	2,985.54
Cash and cash equivalents at the end of the year	7,109.54	2,259.62

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 **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

Per Navin Agrawal

Partner

Membership Number: 56102

For and on behalf of the Board of Directors

TeamLease Services Limited

Ashok Reddy

Managing Director

DIN: 00151814

N. Ravi Vishwanath

Chief Financial Officer

Latika Pradhan

Director

DIN: 07118801

Mruthunjaya Murthy

Company Secretary

CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

1 Corporate information

TeamLease Services Limited (the "Company") is a HR Services Company incorporated on 2 February 2000 and the registered office is located at Office No. 6, 3rd Floor, C wing Laxmi Towers, Bandra Kurla Complex, Mumbai, Maharashtra - 400 051. The Company provides to its clients, solution for their staffing and HR requirements offering a gamut of services that include Temporary Staffing, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments.

The Company has been converted into a Public Limited company, changed its name from TeamLease Services Private Limited to TeamLease Services Limited and obtained a fresh certificate of incorporation dated 15 May 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 12 February 2016.

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 16 May 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) specified under section 133 of Companies Act, (the act) read with 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 45 for information on how the Company has adopted IND AS.

(iii) 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;
- Defined benefit plan assets measured at fair value; and
- Share-based payments are 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 financial statements of the Company are measured using the currency of the primary economic environment in which the entity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

operates, i.e., the "functional currency". The 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 services agreed in the contract with the customers.

Recruitment and other services

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services and payroll is recognized on accrual basis as per the terms of the contract with the customers.

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 charge or credit 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.

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). 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 the same, 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 and associates, deferred tax assets are recognised only

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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 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.

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.

3.6 Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the net 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. All repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part thereof 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 statement of profit and loss 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 the estimated useful lives of the plant and equipment as given under Part C of Schedule II of the Act as follows;

Asset	Useful life in Years
Office equipment	5
Computers	3
Furniture and fixtures	10
Vehicles	6

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3.7 Intangible assets

On transition to Ind AS, the Company has elected to continue with the net 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.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

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	Useful life in Years	Internally generated or acquired
ALCS - software	3 years	Internally generated
Software - others	3 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

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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.

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 (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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. The Company follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through profit or loss.

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.

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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 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 fair value through profit or loss

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

Derecognition of financial liabilities

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if

there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

(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 promoters/ directors of the Company, in prior years had contributed certain equity shares free of cost to EBT, which are 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 carried at nil value. Share options exercised during the reporting period are adjusted against 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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3.11 Cash and cash equivalents

Cash and cash equivalent in the 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

Defined benefit plan

Gratuity obligations

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, done on projected 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 Company recognises the following changes in the net defined benefit obligation as an expense in the 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.

Contribution to TeamLease 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 Company's liability is actuarially determined [deterministic approach] at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Defined contribution plan

Contribution to Government Provident Fund

In respect of certain employees, 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.

Share-based payments

Employees of the Company receive remuneration in the form of employee option plan of the Company (equity settled instruments) for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. The equity instruments generally vest in a graded manner over the vesting period i.e. the period over which all the specified vesting conditions are to be satisfied. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity. The stock option compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

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

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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.

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 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 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 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 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/ updated in the assumptions when they eventually occur.

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the 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 increase is based on expected future inflation rates.

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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.

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 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 Relevant standard issued but not yet effective

The standards issued, but not yet effective upto the date of issuance of the Company's financial statements and applicable to the Company are disclosed below.

Ind AS 115 Revenue from contracts with customers

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer (i.e., when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the 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 requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after 1 April 2018.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for estimation of future taxable profits

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 1 April 2018.

The Company will adopt the aforesaid amendments effective from 1 April 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the aforesaid amendments and the impact on its financial statements in the period of initial application.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 4: Property, plant and equipment

₹ in Lakhs

	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
Gross block					
Deemed cost as at 1 April 2016	96.69	25.58	43.74	10.50	176.51
Additions	27.92	8.44	15.04	10.56	61.96
Disposals	-	-	-	(4.40)	(4.40)
As at 31 March 2017	124.61	34.02	58.78	16.66	234.07
Additions	62.72	65.13	6.92	-	134.77
Disposals	(0.05)	-	-	-	(0.05)
As at 31 March 2018	187.28	99.15	65.70	16.66	368.79
Accumulated depreciation					
Charge during the year	44.33	13.25	15.77	4.68	78.03
Disposals	-	-	-	-	-
As at 31 March 2017	44.33	13.25	15.77	4.68	78.03
Charge during the year	28.77	14.92	13.73	4.09	61.51
Disposals	(0.05)	-	-	-	(0.05)
As at 31 March 2018	73.05	28.17	29.50	8.77	139.49
Net block					
As at 1 April 2016	96.69	25.58	43.74	10.50	176.51
As at 31 March 2017	80.28	20.77	43.01	11.98	156.04
As at 31 March 2018	114.23	70.98	36.20	7.89	229.30

Note 5: Other intangible assets

₹ in Lakhs

	ALCS - software	Software - others	Total
Gross block			
Deemed cost as at 1 April 2016	587.33	113.27	700.60
Additions	-	107.79	107.79
Disposals	-	-	-
As at 31 March 2017	587.33	221.06	808.39
Additions	-	36.85	36.85
Disposals	-	-	-
As at 31 March 2018	587.33	257.91	845.24
Accumulated amortisation			
Charge during the year	235.06	85.85	320.91
Disposals	-	-	-
As at 31 March 2017	235.06	85.85	320.91
Charge during the year	235.06	75.77	310.83
Disposals	-	-	-
As at 31 March 2018	470.12	161.62	631.74
Net block			
As at 1 April 2016	587.33	113.27	700.60
As at 31 March 2017	352.27	135.21	487.48
As at 31 March 2018	117.21	96.29	213.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 6: Investments

	As at 31 March 2018	As at 31 March 2017	₹ in Lakhs As at 1 April 2016
Investments -non current			
Unquoted carried at cost			
(i) Investments in subsidiaries			
IIJT Education Private Limited (IIJT) 8,000,000 (31 March 2017: 8,000,000, 1 April 2016: 8,000,000) equity shares of ₹10 each, fully paid	2,433.53	2,433.53	2,433.53
TeamLease Education Foundation (TLEF) 10,000 (31 March 2017: 10,000, 1 April 2016: 10,000) equity shares of ₹10 each, fully paid	1.00	1.00	1.00
National Employability Apprenticeship Services (NEAS) Nil (31 March 2017: Nil, 1 April 2016: 10,000) equity shares of ₹10 each, fully paid (Refer Note 5 below)	-	-	1.00
TeamLease Digital Private Limited (TDPL) 4,735,000 (31 March 2017: 3,410,000, 1 April 2016: Nil) equity shares of ₹50 each, fully paid (Refer Note 4 below)	2,363.50	1,701.00	-
India Tourism & Hospitality Skills Education Private Limited (ITHS) Nil (31 March 2017: Nil, 1 April 2016: 10,000) equity shares of ₹10 each, fully paid (Refer Note 5 below)	-	-	1.00
(ii) Investments in associates			
Cassius Technologies Private Limited 3,333 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of ₹10 each, fully paid (Refer Note 2 below)	614.64	-	-
School Guru Eduserve Private Limited 184,068 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of ₹10 each, fully paid (Refer Note 3 below)	758.90	-	-
(iii) Investment in preference shares in associate			
School Guru Eduserve Private Limited 0.1% Compulsorily Convertible Cumulative Preference Shares (CCCCPS) 269,681 (31 March 2017: Nil, 1 April 2016: Nil) preference shares of ₹10 each (Refer Note 3 below)	1,350.00	-	-
(iv) Investment in debentures of subsidiary companies			
TeamLease Digital Private Limited 9% Compulsorily Convertible Debentures (CCD's) of ₹10 lakhs each, fully paid (Refer note 4 below)			
Series A CCD 686 (31 March 2017: 686, 1 April 2016: Nil)	6,860.00	6,860.00	-
Series B CCD 111 (31 March 2017: 111, 1 April 2016: Nil)	1,110.00	1,110.00	-
Series C CCD 285 (31 March 2017: Nil, 1 April 2016: Nil)	2,850.00	-	-
Series D CCD 78 (31 March 2017: Nil, 1 April 2016: Nil)	780.00	-	-
Less: Provision for diminution in the value of investments (Refer Note 1 below)	(2,198.38)	(2,198.38)	(2,199.38)
	16,923.19	9,907.15	237.15
Aggregate value of unquoted investments	19,121.57	12,105.53	2,436.53
Aggregate amount of provision for diminution	(2,198.38)	(2,198.38)	(2,199.38)

Notes:

- 1) Provision for diminution in the value of investments includes ₹2,198.38 lakhs (31 March 2017 ₹2,198.38 lakhs and 1 April 2016: ₹2,198.38 lakhs) towards investment in IIJT and ₹ Nil (Previous Year ₹ Nil and 01 April 2016: ₹1 lakh) towards investment in ITHS.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

- 2) The Company entered into a definitive agreement on 29 May 2017 to acquire 30% stake in Cassius Technologies Private Limited ("CTPL"). CTPL is engaged in rendering end to end online services for software product engineering.
- 3) The Company entered into a definitive agreement on 8 November 2017, with School Guru Eduserve Private Limited ("School Guru") to acquire 16.31% equity stake in School Guru (on fully diluted basis) and further subscribed to CCCPS. School Guru is engaged in rendering technology-led specialized academic services.
- 4) On 31 March 2018, the Company subscribed to 1,325,000 equity shares @ ₹50 per share (Face Value of ₹10 per share) and CCDs of ₹10 lakhs each in TDPL. The CCD's are convertible into equity shares on or before 10 years from the date of allotment, at the fair value as at the conversion date.
- 5) On 27 December 2016, the Company has disposed off 100% of its investments in the equity shares of ITHS and NEAS at ₹1 lakh each. Accordingly, ITHS and NEAS ceases to be subsidiaries of the Company.

Note 7: Investments - at fair value through profit and loss

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in mutual funds (current)			
HDFC Short Term Plan - Monthly Dividend Reinvestment Nil Units of ₹ Nil each (31 March 2017: 5,115,190.39 units of ₹10.34 each, 1 April 2016: Nil units of ₹ Nil each)	-	529.13	-
ICICI Prudential Liquid Plan Daily Dividend Reinvestment Nil Units of ₹ Nil each (31 March 2017: 501,541.80 units of ₹100.10 each, 1 April 2016: Nil units of ₹ Nil each)	-	502.04	-
HDFC Cash Management Fund - Savings 1,42,795.48 Units of ₹1063.64 each (31 March 2017: Nil units of ₹ Nil each, 1 April 2016: Nil units of ₹ Nil each)	1,518.83	-	-
BNP Paribas Overnight Fund Daily Dividend 100,368.86 Units of ₹1000.50 each (31 March 2017: Nil units of ₹ Nil each, 1 April 2016: Nil units of ₹ Nil each)	1,004.19	-	-
TATA Liquid Fund Regular Plan - Daily Dividend 63,569.72 Units of ₹1114.52 each (31 March 2017: Nil units of ₹ Nil each, 1 April 2016: Nil units of ₹ Nil each)	708.50	-	-
	3,231.52	1,031.17	-
Aggregate amount of unquoted investment and market value thereof	3,231.52	1,031.17	-

Note 8: Loans

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
(Unsecured, Considered good, unless otherwise stated)			
Loans to related parties (refer note 37)	6,960.67	4,665.01	2,232.62
Security deposit	615.79	538.38	509.81
Other deposits	176.55	78.02	41.29
	7,753.01	5,281.41	2,783.72
(Considered doubtful)			
Other deposits	82.70	82.70	82.70
Less: Provision for doubtful deposits	(82.70)	(82.70)	(82.70)
	-	-	-
	7,753.01	5,281.41	2,783.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 8: Loans (contd..)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Current			
(Unsecured, Considered good, unless otherwise stated)			
Loans to related parties (refer note 37)	100.00	-	-
Security deposits	10.74	63.32	48.99
Other deposits	9.63	211.90	211.90
	120.37	275.22	260.89

Note 9: Other financial assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Non-current			
(Unsecured, Considered good, unless otherwise stated)			
Interest accrued on fixed deposits	12.35	10.27	9.69
Reimbursement right for gratuity (Refer note 31)	3,833.16	3,298.77	2,529.74
Fixed deposits with banks (maturity of more than 12 months) (Refer note 14)	326.14	200.84	403.45
	4,171.65	3,509.88	2,942.88

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Current			
(Unsecured, Considered good, unless otherwise stated)			
Interest accrued on fixed deposits	138.29	145.24	363.61
Interest accrued on CCDs	-	140.06	-
Unbilled revenue	2,584.59	3,904.13	5,327.18
Advances to related parties (refer note 37)	56.00	84.12	130.02
Reimbursement right for gratuity (Refer note 31)	2,014.98	1,209.88	773.30
	4,793.86	5,483.43	6,594.11
(Considered doubtful)			
Advances to related parties (refer note 37)	-	23.69	23.34
Less: Provision for doubtful loans and advances	-	(23.69)	(23.34)
	4,793.86	5,483.43	6,594.11

Note 10: Deferred tax assets (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Deferred tax assets/(liabilities)	1,327.49	1,144.65	1,087.51
MAT credit entitlement	2,772.28	1,218.82	-
	4,099.77	2,363.47	1,087.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 10: Deferred tax assets (net) (contd..)

₹ in Lakhs					
As at	Provision for expected credit loss	Depreciation on fixed assets	Provision for leave encashment and gratuity	Others	Total
1 April 2016	437.16	190.68	155.73	303.94	1,087.51
Credit/ charge:					
Profit and loss	244.27	49.36	38.30	(270.55)	61.38
Other comprehensive income	-	-	(4.24)	-	(4.24)
31 March 2017	681.43	240.04	189.79	33.39	1,144.65
Credit/ charge:					
Profit and loss	114.88	33.57	44.72	(0.33)	192.84
Other comprehensive income	-	-	(10.00)	-	(10.00)
31 March 2018	796.31	273.61	224.51	33.06	1,327.49

Note 11: Income tax assets (net)

₹ in Lakhs			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax (net of provision for taxation)	7,308.12	4,213.12	3,810.06
	7,308.12	4,213.12	3,810.06

Income tax expense/ (credit) in the statement of profit and loss consists of:

₹ in Lakhs		
	Year ended 31 March 2018	Year ended 31 March 2017
Current income tax charge	1,553.46	1,218.82
Tax credit for earlier years	-	(6.22)
MAT credit entitlement	(1,553.46)	(1,218.82)
Deferred tax credit (net)	(192.84)	(61.38)
Income tax reported in the statement of profit or loss	(192.84)	(67.60)

Income tax recognised in other comprehensive income

₹ in Lakhs		
	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax charge	10.00	4.24
Income tax expense charged to OCI	10.00	4.24

Reconciliation of effective tax rate:

₹ in Lakhs		
	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	7,062.86	4,886.75
Tax using the Company's domestic tax rate @ 34.608% (March 31, 2017: 34.608%)	2,444.31	1,691.21
Tax effect of:		
Tax exempt income	(34.43)	(63.48)
Non-deductible tax expense	53.38	101.77
Provisions related to prior years	-	(6.22)
80 JJAA deduction	(2,678.51)	(2,020.77)
Others	22.41	229.89
Income tax (credit)/ expense	(192.84)	(67.60)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 12: Other non-current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
(Unsecured, Considered good, unless otherwise stated)			
Capital advances	-	-	2.32
Prepaid expenses	58.78	76.63	100.57
Balances with statutory/ government authorities	-	-	64.82
	58.78	76.63	167.71
(Considered doubtful)			
Balances with statutory/ government authorities	64.82	64.82	-
Less: Provision for doubtful balances	(64.82)	(64.82)	-
	-	-	-
	58.78	76.63	167.71

Note 13: Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
(Unsecured, Considered good, unless otherwise stated)			
Trade receivables from related parties	1,390.00	809.01	517.63
Trade receivables- others	18,276.87	15,712.31	11,488.03
	19,666.87	16,521.32	12,005.66
(Considered doubtful)			
Trade receivables- others	2,300.94	1,968.99	351.30
Provision for expected credit loss	(2,300.94)	(1,968.99)	(351.30)
	-	-	-
	19,666.87	16,521.32	12,005.66

- a) No receivable is due from directors or other officers of the Company either severally or jointly with any other person. For trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 37.
- b) Trade receivables are non-interest bearing and with credit period upto 90 days.

Note 14: Cash and cash equivalents and bank balances

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Balances with banks			
- On current accounts	7,109.54	2,259.62	4,921.70
	7,109.54	2,259.62	4,921.70
Other bank balances			
Deposits with remaining maturity of less than 12 months*	5,816.42	13,326.58	20,937.50
Deposits with remaining maturity of more than 12 months**	326.14	200.84	403.45
	6,142.56	13,527.42	21,340.95
Less : Amounts disclosed under other financial assets (Refer note 9)	(326.14)	(200.84)	(403.45)
	5,816.42	13,326.58	20,937.50
	12,925.96	15,586.20	25,859.20

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 14: Cash and cash equivalents and bank balances (contd..)

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Balances with banks			
- On current accounts	7,109.54	2,259.62	4,921.70
	7,109.54	2,259.62	4,921.70
Less: Bank overdraft	-	-	(1,936.16)
	7,109.54	2,259.62	2,985.54

*Fixed deposits of ₹4,505.73 lakhs as at 31 March 2018 (31 March 2017: ₹4,277.35 lakhs and 1 April 2016: ₹2,937.50 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Company.

**Fixed deposits of ₹326.14 lakhs as at 31 March 2018 (31 March 2017: ₹183.20 lakhs and 1 April 2016: ₹403.45 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Company.

Note 15: Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
(Unsecured, Considered good, unless otherwise stated)			
Prepaid expenses	645.66	532.20	457.49
Advances to suppliers	180.36	143.85	-
Loans and advances to employees	38.01	20.35	45.00
Advances, other than capital advances	374.51	281.72	115.56
Other assets	22.57	15.85	23.44
	1,261.11	993.97	641.49
(Considered doubtful)			
Other advances	11.63	11.63	11.63
Provision for doubtful loans and advances	(11.63)	(11.63)	(11.63)
	-	-	-
	1,261.11	993.97	641.49

Note 16: Equity share capital

Equity share capital

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
(i) Authorised equity share capital			
23,300,000 [31 March 2017: 23,300,000, 1 April 2016: 23,300,000] equity shares of ₹10 each.	2,330.00	2,330.00	2,330.00
(ii) Authorised 12% Cumulative Convertible Redeemable Preference Shares (CCPS)			
170,000 [31 March 2017: 170,000, 1 April 2016: 170,000] CCPS of ₹100 each	170.00	170.00	170.00
(iii) Issued, subscribed and fully paid-up shares			
17,096,769 [31 March 2017: 17,096,769, 1 April 2016: 17,096,769] equity shares of ₹10 each.	1,709.68	1,709.68	1,709.68
Total issued, subscribed and fully paid-up shares	1,709.68	1,709.68	1,709.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 16: Equity share capital (contd..)

(iv) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹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.

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

Name of the shareholders

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Equity shares of ₹10 each fully paid						
HR Offshoring Ventures Pte Limited	4,571,779	26.74	4,571,779	26.74	5,426,579	31.74
GPE (India) Limited	1,114,324	6.52	1,771,299	10.36	1,771,299	10.36
NED Consultants LLP	1,624,416	9.50	1,709,900	10.00	855,100	5.00
HDFC Trustee Company Limited	215,543	1.26	1,538,093	9.00	672,427	3.93
Dhana Management Consultancy LLP	904,413	5.29	1,260,278	7.37	1,379,886	8.07
IDBI Trusteeship Services Limited	-	-	-	-	1,022,137	5.98

(vi) There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust. Also refer note 32.

(vii) 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:

- On 25 June 2015, the shareholders of the Company approved the issue and allotment of 29 Bonus equity shares of Re. 1 each for every equity share of Re. 1 each held by the members as on that date. Post such bonus issue, every 10 equity shares of Re 1 of the Company are consolidated into 1 equity share of ₹10 each thereby, 153,320,640 shares of Re.1 each had been consolidated into 15,332,064 shares of ₹10 each w.e.f. 10 July 2015.
- There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended 31 March 2018.
- There are no shares bought back by the Company during the period of five years immediately preceding the year ended 31 March 2018.

(viii) Pursuant to Initial Public Offering (IPO) during the year ended 31 March 2016, 1,764,705 equity shares of the Company of ₹10 each were allotted at ₹850 per equity share on 10 February 2016.

Note 17: Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium	23,972.72	23,972.72	23,988.65
Retained earnings	17,071.44	9,796.84	4,834.47
Stock option outstanding reserve	512.27	358.03	63.97
	41,556.43	34,127.59	28,887.09

₹ in Lakhs

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 17: Other equity (contd..)

(ii) Stock option outstanding reserve

This reserve relates to stock options granted by the Company to employees under TeamLease Employee Stock Option Plan.

Note 18: Net employee defined benefit liabilities

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Employee benefits - Gratuity (Refer note 31)	4,069.02	3,491.63	2,688.87
Employee benefits - Compensated absences	199.43	168.85	136.83
	4,268.45	3,660.48	2,825.70
Current			
Employee benefits - Gratuity (Refer note 31)	2,121.29	1,300.81	849.28
Employee benefits - Compensated absences	107.11	95.75	78.05
	2,228.40	1,396.56	927.33

Note 19: Other non-current liabilities

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Disputed tax liabilities (Refer note 39)	421.90	421.90	421.90
Other liabilities	67.17	65.45	76.21
	489.07	487.35	498.11

Note 20: Borrowings

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Bank overdraft (secured)*	-	-	1,936.16
	-	-	1,936.16

*The overdraft facilities from bank are secured by lien on fixed deposits.

Note 21: Trade payables

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,378.64	1,011.14	825.82
	1,378.64	1,011.14	825.82

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 22: Other financial liabilities

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Employees benefits payable	12,337.37	12,670.19	11,537.56
Creditors for capital goods	62.34	19.43	14.34
Book overdraft	987.76	2,229.08	725.27
	13,387.47	14,918.70	12,277.17

Note 23: Other current liabilities

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues payable	9,826.94	4,698.92	4,098.10
Advance from customers	5,182.76	1,247.83	1,210.78
Other liabilities	2,751.06	2,628.24	2,071.55
	17,760.76	8,574.99	7,380.43

Note 24: Revenue from operations

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Sale of services	335,220.75	293,140.21
Other operating revenue		
Recruitment services		
-Permanent recruitment	1,644.03	1,673.01
-Temporary recruitment	215.85	282.11
Skills and development	3,606.77	1,663.47
Royalty and affiliation income	8.76	41.88
Income from regulatory services	1,324.00	1,116.75
Payroll income	2,053.92	1,107.92
	344,074.08	299,025.35

Note 25: Other income

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on:		
Loans to related parties (Refer note 37)	438.66	257.08
Deposits with banks	653.36	1,155.39
Investment in CCD's	822.01	155.62
Income tax refund	-	328.17
Others	20.70	42.12
Liabilities no longer required written back	334.44	146.87
Provision for doubtful investment written back	-	1.00
Dividend income on mutual fund investments	99.47	183.42
Profit on disposal of property, plant and equipment (net)	0.01	-
Miscellaneous income	69.40	67.74
	2,438.05	2,337.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 26: Employee benefits expense

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	305,692.73	268,128.00
Stock option compensation expense	154.24	294.06
Gratuity expense	122.97	90.72
Leave encashment	143.98	145.25
Contribution to provident fund and other funds	24,020.92	19,919.09
Staff welfare expenses	1,807.73	1,537.65
	331,942.57	290,114.77

Note 27: Finance costs

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Interest on bank overdraft	95.02	88.68
Interest - others	15.20	-
	110.22	88.68

Note 28: Depreciation and amortisation expense

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	61.51	78.03
Amortization of other intangible assets	310.83	320.91
	372.34	398.94

Note 29: Other expenses

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Rent	1,145.60	1,220.91
Rates and taxes	46.91	60.88
Electricity	155.06	168.71
Travelling and conveyance	600.36	478.51
Repairs and maintenance		
- Leasehold premises	14.14	11.99
- Others	722.72	697.95
Printing and stationery	346.64	244.29
Legal and professional charges	688.72	539.44
Auditors' remuneration (Refer note below)	61.94	65.43
Insurance	20.44	24.87
Sundry balances written off	2.82	1.87
Provision for doubtful advances to related party	-	0.35
Bad debts written off	180.63	127.28
Less: Provision for expected credit loss utilised	(120.27)	(27.88)
Provision for expected credit loss	452.22	733.70
Provision for service tax input credit	-	64.82
Training expenses	1,947.17	702.12
Loss on disposal of property, plant and equipment (net)	-	1.48
Foreign exchange loss	1.16	0.81
Miscellaneous expenses	757.88	756.09
	7,024.14	5,873.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 29: Other expenses (contd..)

Note: Payment to auditors

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
As auditor		
Statutory audit fee	30.50	36.00
Tax audit fee	3.00	6.00
Limited review	24.00	18.50
Reimbursement of expenses	4.44	4.93
	61.94	65.43

Note 30: Earnings per share

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

	Year ended 31 March 2018	Year ended 31 March 2017
Profit attributable to equity shareholders (₹ in lakhs)	7,255.70	4,954.35
Nominal value of each equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	17,096,769	17,096,769
EPS - basic and diluted (₹)	42.44	28.98

Note 31: Employee benefit obligation

Provident fund

Provident Fund for eligible employees is managed by the Company through TeamLease Employees Provident Fund Trust ("Trust"), in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

	₹ in Lakhs	
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Accumulated surplus as per TeamLease Services Limited Employees Provident Fund Trust *	4,908.43	4,675.35
Provident fund obligations *	(180.06)	(112.92)
Principal assumptions are as follows:		
Discount rate (per annum)	7.50%	6.66%
Average historic yield on the investment portfolio	8.82%	9.17%
Appropriate term (in years)	5	5
Remaining term to maturity of provident fund portfolio (in years)	5.81	5.79
Discount rate for the remaining term to maturity of the investment portfolio (per annum)	-	-
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

* No Liability has been provided as the balances in the Reserves and Surplus as aforesaid is more than the Provident Fund Obligation. Disclosures included are limited to the extent of disclosures provided by the actuary.

The expense recognised during the year towards provident fund is ₹16,080.43 lakhs (31 March 2017 ₹14,492.29 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

Gratuity (Associate)

The Company has recognised gratuity liability and reimbursement right in respect of associate employees in accordance with Ind AS 19.

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)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Present value of unfunded obligation	5,848.14	4,508.64	3,303.04
Fair value of plan assets	-	-	-
Net liability	5,848.14	4,508.64	3,303.04
Current	2,014.98	1,209.87	773.30
Non-current	3,833.16	3,298.77	2,529.74

Net benefit cost (refer note 2 below)

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Lakhs		
Current service cost	3,407.39	752.76
Past service cost	4.47	-
Net actuarial (gain)/ loss recognised in the year	(1,235.41)	912.99
Interest cost on defined benefit obligation	259.79	217.86
Net benefit expense	2,436.24	1,883.61

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

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Lakhs		
Defined benefit obligation at beginning of the year	4,508.64	3,303.04
Current service cost	3,407.39	752.76
Past service cost	4.47	-
Interest cost on defined benefit obligation	259.79	217.86
Benefits paid	(1,096.74)	(678.01)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(26.53)	-
Actuarial (gain) / loss arising from changes in financial assumptions	(130.32)	(0.70)
Actuarial (gain) / loss arising from changes in experience adjustments	(1,078.56)	913.69
Defined benefit obligation at end of the year	5,848.14	4,508.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

The principal assumptions used in determining gratuity obligations are shown below:

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	6.81%	6.56%
Salary escalation rate	6.00%	9.00%
Attrition rate	45.00%	43.00%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

Note:

- 1) The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.
- 2) The employee benefits expense towards gratuity and related reimbursement right for associate employees for year ended 31 March 2018 ₹2,436.24 lakhs (31 March 2017: ₹1,883.61 lakhs) have been netted off in the Statement of Profit and Loss.

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:

	₹ in Lakhs			
Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	5,730.39	5,971.37	4,402.72	4,620.31
Salary escalation rate	5,943.16	5,755.63	4,595.57	4,424.56
Attrition rate	5,793.81	5,903.89	4,447.92	4,571.68

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

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	2,014.98	1,209.88
Year 2	1,407.21	1,011.76
Year 3	1,065.35	956.56
Year 4	774.90	775.10
Year 5	548.53	588.21
Next 5 years	704.61	913.95

The Company expects to contribute ₹3,407.39 lakhs (31 March 2017: ₹3,725.53 lakhs) in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2017: 2 years)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

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)

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of funded obligation	342.17	283.80	235.11
Fair value of plan assets	-	-	-
Net liability	342.17	283.80	235.11
Current	106.31	90.94	75.98
Non-current	235.86	192.86	159.13

Net benefit cost recognised in statement of profit and loss

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	88.59	74.42
Past service cost	16.46	-
Interest cost on defined benefit obligation	17.92	16.30
Net benefit expense	122.97	90.72

Remeasurement loss/(gains) in other comprehensive income

	₹ in Lakhs	
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Due to change in demographic assumptions	0.45	-
Due to change in financial assumptions	1.42	3.05
Due to change in experience adjustments	(30.77)	(15.31)
Actuarial loss recognised in OCI	(28.90)	(12.26)

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

	₹ in Lakhs	
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Defined benefit obligation at beginning of the year	283.80	235.11
Current service cost	88.59	74.42
Past service cost	16.46	-
Interest cost on defined benefit obligation	17.92	16.30
Benefits paid	(35.70)	(29.77)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	0.45	-
Actuarial (gain) / loss arising from changes in financial assumptions	1.42	3.05
Actuarial (gain) / loss arising from changes in experience adjustments	(30.77)	(15.31)
Defined benefit obligation at end of the year	342.17	283.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

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

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.22%	6.74%
Salary escalation rate	8.00%	7.00%
Attrition rate	35.00%	36.00%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	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 and 31 March 2017 are as shown below:

	₹ in Lakhs			
Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	334.15	350.63	276.86	290.06
Salary escalation rate	348.51	336.01	288.07	278.62
Attrition rate	340.75	343.62	282.22	284.37

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

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	106.31	90.95
Year 2	77.65	66.33
Year 3	60.32	48.47
Year 4	45.16	36.90
Year 5	33.38	26.39
Next 5 years	62.30	46.96

The Company expects to contribute ₹194.90 lakhs (31 March 2017: ₹165.37 lakhs) in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is 4 years (31 March 2017: 4 years).

Note 32: Share based payments

Employee Share Option Scheme (ESOP)

TeamLease Services Limited has granted stock options to employees of the Company. The purpose of the 'TeamLease Services Limited ESOP Plan' 2015 is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and to promote the success of the business. The options issued under the plan has a term of 4 years as provided in the stock grant agreement and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share. The exercise price of option is ₹10.

The stock options are restricted for sale, pledge or transfer. The Company has carried out an independent valuation of its ESOP grants for accounting and reporting purposes as on the grant dates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 32: Share based payments (contd..)

A. Details of TeamLease Employee Stock Option Plan issued by the Trust

Name of the Scheme - TeamLease Employee Stock Option Plan - 2015	Tranche - I	Tranche - II*
Date of grant	1 October 2015	1 October 2016
Number Granted	97,170 (post issue of bonus shares)	29,470
Exercised Price (₹)	₹10	₹10
Vesting period	4 years	2-4 years
	25% on expiry of 12 months from grant date	44% on expiry of 12 months from grant date
	25% on expiry of 24 months from grant date	48% on expiry of 12 months from grant date
	25% on expiry of 36 months from grant date	5% on expiry of 12 months from grant date
	25% on expiry of 48 months from grant date	3% on expiry of 12 months from grant date
Vesting conditions		

* During the financial year ended 31 March 2017, Tranche II scheme was approved by Board of Directors and Nomination and Remuneration Committee and approved by the shareholders in the Annual General Meeting held on 7 July 2017.

B. Movement in the options granted to employees

Particulars	Number of Options		Weighted average Exercise price (₹)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Outstanding at beginning of the year	93,372	97,170	10.00	10.00
Granted	-	29,470	10.00	10.00
Expired	10,784	1,801	10.00	10.00
Exercised	36,221	31,467	10.00	10.00
Outstanding at end of the year	46,367	93,372	10.00	10.00
Exercisable at end of the year	29,930	63,902	10.00	10.00

Fair value of options granted

The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Variables	31 March 2018	31 March 2017	1 April 2016
Grant date share option price (₹)		1082.86 - 1083.44	252.79
Exercise price (₹)	No Options	10.00	10.00
Expected life of the option (gross)	have been	2-4 years	1-4 years
Risk free interest rates	granted during	7.50%	7.00%
Expected volatility	the year	24.59%	16.26%
Expected dividend yield (%)		-	-

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 0.82 years (31 March 2017: 1.82 years).

The weighted average exercise price of the outstanding option is ₹10 (31 March 2017: ₹10).

The weighted average fair value of options granted during the year was ₹ Nil (31 March 2017: ₹1,083).

The impact of the fair value of the options granted as an expense is ₹154.25 lakhs (31 March 2017: ₹294.06 lakhs) for the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 33: Fair value measurements

Financial assets measured at fair value through profit/ loss:

Particulars	₹ in Lakhs		
	31 March 2018	31 March 2017	1 April 2016
Financial Assets			
Investment in mutual funds [Quoted price in active markets Level 1]	3,231.52	1,031.17	-

There are no transfers between levels during the year.

Management has assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, investments, loans, trade receivables, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and these are measured at amortised cost.

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 willing parties, other than in a forced or liquidation sale.

Note 34: Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal auditors. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(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 risk 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 34: Financial risk management objectives and policies (contd..)

(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 loans receivables, investments and other financial instruments.

Trade receivables

With respect to trade receivables/unbilled revenue, the Company has framed the policies to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition.

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.

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

Particulars	₹ in Lakhs	
	31 March 2018	31 March 2017
Opening balance	1,968.99	1263.17
Amount provided/ (reversed) during the year	331.95	705.82
Closing provision	2,300.94	1,968.99

Financial instruments

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.

All financial liabilities are due within 1 year from the balance sheet date.

Note 35: 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 36: Segment information

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. Accordingly, segment information has been presented for the nature of services rendered by the Company.

Segment Policies:

a) The reportable business segments are in line with the segment wise information which is being presented to the CODM and for which discrete financial information is available.

b) The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably and accordingly such items are separately disclosed as 'unallocated'.

(i) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(iii) Segment results:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the CODM.

The Operative segment comprises of the following:

a) **General 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.

₹ in Lakhs

Particulars	General staffing and allied services		Other HR services		Unallocated		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue:								
External revenue	337,490.51	294,530.25	6,583.57	4,495.10	-	-	344,074.08	299,025.35
Total segment revenue	337,490.51	294,530.25	6,583.57	4,495.10	-	-	344,074.08	299,025.35
Segment results	5,817.60	3,727.11	353.40	314.62	1,002.08	933.70	7,173.08	4,975.43
Finance cost	-	-	-	-	(110.22)	(88.68)	(110.22)	(88.68)
Profit before tax	5,817.60	3,727.11	353.40	314.62	891.86	845.02	7,062.86	4,886.75
Tax expenses	-	-	-	-	(192.84)	(67.60)	(192.84)	(67.60)
Profit after tax	5,817.60	3,727.11	353.40	314.62	1,084.71	912.61	7,255.70	4,954.35
Other information								
Capital expenditure	-	-	-	-	150.60	169.75	150.60	169.75
Depreciation and amortization:	333.35	354.36	38.99	44.57	-	-	372.34	398.93
Non cash expenditure other than depreciation:	-	-	-	-	669.65	1,194.20	669.65	1,194.20

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 36: Segment information (contd..)

₹ in Lakhs

Other Information:	31 March 2018		31 March 2017		1 April 2016	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
General staffing and allied services	28,787.38	27,244.76	25,590.82	26,784.25	20,360.26	23,202.63
Other HR services	7,541.45	5,113.29	2,526.95	788.04	1,448.03	572.50
Unallocated	46,450.06	7,154.74	37,768.72	2,476.93	35,459.20	2,895.59
Total	82,778.90	39,512.79	65,886.49	30,049.22	57,267.49	26,670.72

Reconciliation to amounts reflected in the financial statements

Reconciliation of assets

₹ in Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
Segment assets	36,328.83	28,117.77	21,808.29
Investments	19,919.56	10,703.17	2.00
Loans	7,552.36	5,184.29	2,722.75
Deferred tax assets (net)	4,099.77	2,363.47	1,087.51
Income tax assets (net)	7,308.12	4,213.12	3,810.06
Cash and cash equivalents	167.47	310.26	4,767.23
Bank balances other than cash and cash equivalents	5,816.42	13,326.58	20,937.50
Others	1,586.37	1,667.83	2,132.15
Total assets	82,778.90	65,886.49	57,267.49

Reconciliation of liabilities

₹ in Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
Segment liabilities	32,358.05	27,572.29	23,775.13
Net employee defined benefit liabilities	101.01	87.50	449.98
Other non-current liabilities	7.65	3.95	0.89
Trade payables	617.70	1,011.14	825.82
Other financial liabilities	727.98	592.86	212.30
Other current liabilities	5,700.40	781.48	1,406.60
Total liabilities	39,512.79	30,049.22	26,670.72

Revenue from external customers

₹ in Lakhs

Geographical Segment	31 March 2018	31 March 2017
India	344,074.08	299,025.35
Outside India	-	-
Total	344,074.08	299,025.35

The revenue information above is based on the locations of the customers.

Non-current asset

₹ in Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
India	7,831.59	4,933.27	4,854.88
Outside India	-	-	-
Total	7,831.59	4,933.27	4,854.88

Non-current asset excludes financial instruments and deferred tax assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 37: Related party disclosure

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Subsidiary companies	IIJT Education Private Limited ('IIJT') TeamLease Education Foundation ('TLEF') TeamLease Digital Private Limited ('TDPL') (formerly known as TeamLease Staffing Services Private Limited ('TSSPL')) India Tourism and Hospitality Skills Education Private Limited ('ITHS') (ceased to be subsidiary w.e.f. 27 December 2016) National Employability Apprenticeship Services ('NEAS') (ceased to be subsidiary w.e.f. 27 December 2016) ASAP Info Systems Private Limited ('ASAP') (merged with TDPL w.e.f. 1 January 2017) Nichepro Technologies Private Limited ('NPTPL') (merged with TDPL w.e.f. 1 January 2017) Keystone Business Solutions Private Limited ('KBSPL') Evolve Technologies and Services Private Limited ('ETSPL')
b) Associates	Cassius Technologies Private Limited ('CTPL') School Guru Eduserve Private Limited ('School Guru')
c) Key management personnel and their relatives	Mr. Manish Sabharwal - Executive chairman Mr. Ashok Reddy - Managing Director and Chief Executive Officer Mr. Ravi Vishwanath - Chief Financial Officer Mr. Mruthunjaya Murthy - Company Secretary Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath Mr. Gopal Jain (resigned w.e.f. 8 August 2017) Mrs. Latika Pradhan - Independent Director Mr. Narayan Ramachandran - Independent Director Mr. Raghunathan V - Independent Director
d) Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') India Life Capital Private Limited ('ILCPL')

(ii) Transactions with related parties

Transactions with related parties	31 March 2018	31 March 2017
₹ in Lakhs		
Interest income from		
Subsidiary companies		
TLEF	304.16	186.56
TDPL - on loan	134.50	65.93
TDPL - on CCDs	822.01	155.62
ASAP	-	4.59
Other operating income and other income		
Subsidiary companies		
IIJT	3.00	3.00
TLEF	34.19	75.38
TDPL	3.33	-
NPTPL	-	18.00
ASAP	-	3.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 37: Related party disclosure (contd..)

₹ in Lakhs

Transactions with related parties	31 March 2018	31 March 2017
Enterprises where key managerial personnel or their relatives exercise significant influence		
ILCPL	3.60	38.64
TLSU	1,899.27	988.80
Consultancy/services charges paid		
Subsidiary companies		
TDPL	86.99	-
ASAP	-	10.27
Enterprises where key managerial personnel or their relatives exercise significant influence		
ILCPL	30.70	38.03
TLSU	248.14	66.17
HANSINI	1.20	1.80
Key managerial personnel and their relatives		
Asha Vishwanath	6.00	6.00
Expenses incurred by the Company on behalf of others - Cross charged		
Subsidiary companies		
TDPL	175.77	17.17
KBSPL	36.60	-
ETSPL	21.99	-
IIJT	4.46	0.30
NEAS	-	0.41
ITHS	-	0.35
TLEF	-	0.17
Enterprises where key managerial personnel or their relatives exercise significant influence		
ILCPL	41.37	0.61
TLSU	4.90	-
Provisions for doubtful advances		
Subsidiary companies		
ITHS	-	0.35
Provisions for diminution in value of investments		
Subsidiary companies		
ITHS	-	1.00
Loans and advances given to		
Subsidiary companies		
TLEF	2,235.00	2,023.00
IIJT	-	5.00
TDPL	10,782.48	13,557.00
ASAP	-	573.79
Loans repaid by		
Subsidiary companies		
IIJT	25.30	51.30
TLEF	1,150.00	550.00
ASAP	-	578.38
TDPL	5,154.65	2,845.00
Enterprises where key managerial personnel or their relatives exercise significant influence		
TLSU	-	89.69
Loan given converted into Investments		
Subsidiary companies		
TDPL		
Equity shares	662.50	1,700.00
Convertible debentures	3,630.00	7,970.00
Managerial remuneration (Refer Note below)		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 37: Related party disclosure (contd..)

Transactions with related parties	₹ in Lakhs	
	31 March 2018	31 March 2017
Key managerial personnel and their relatives		
Ashok Reddy	99.03	86.43
Manish Sabharwal	87.24	84.00
Ravi Vishwanath	127.19	138.29
Mruthunjaya Murthy	24.84	22.95
	338.30	331.67

Note:

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.

2. The above includes ₹36.03 lakhs (31 March 2017: ₹55.45 lakhs) for share based compensation.

(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:

Transactions with related parties	₹ in Lakhs		
	31 March 2018	31 March 2017	1 April 2016
Loans and advances receivable			
Subsidiary companies			
IIJT	56.00	81.30	127.61
TDPL	2,377.32	1,066.67	-
TLEF	4,683.35	3,598.34	2,125.35
NEAS	-	2.82	2.41
ITHS (net of provision)	-	-	-
Enterprises where key managerial personnel or their relatives exercise significant influence			
TLSU	-	-	89.69
Trade/other receivables			
Subsidiary companies			
TLEF	37.49	56.06	29.17
IIJT	0.51	1.15	-
NPTPL	-	4.73	-
KBSPL	9.24	-	-
TDPL	12.32	7.65	-
ETSPL	23.67	-	-
ASAP	-	0.65	-
Enterprises where key managerial personnel or their relatives exercise significant influence			
TLSU	1,332.59	734.74	483.54
ILCPL	-	4.03	4.91
Investments in equity shares			
Subsidiary companies			
TLEF	1.00	1.00	1.00
NEAS	-	-	1.00
TDPL	2,363.50	1,701.00	-
IIJT (net of provision)	235.15	235.15	235.15
ITHS (net of provision)	-	-	-
Associates			
CTPL	614.64	-	-
School Guru	758.90	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 37: Related party disclosure (contd..)

	₹ in Lakhs		
Transactions with related parties	31 March 2018	31 March 2017	1 April 2016
Investments in preference shares			
Associates			
School Guru	1,350.00	-	-
Guarantees given [Refer note 39]			
Enterprises where key managerial personnel or their relatives exercise significant influence			
TLSU	-	200.00	200.00
Investments in CCDs			
Subsidiary companies			
TDPL	11,600.00	7,970.00	-
Trade payables			
Subsidiary companies			
TDPL	36.59	-	-
ASAP	-	10.37	-
Enterprises where key managerial personnel or their relatives exercise significant influence			
ILCPL	-	1.79	-

Note 38 : Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to Securities (Listing Obligation and Disclosure Requirements) Regulations, 2015, as regards the loans and inter-corporate deposits granted to subsidiaries, associates and other companies in which the directors are interested:

(i) Loans and advances in the nature of loans to subsidiaries

	₹ in Lakhs		
	31 March 2018	31 March 2017	1 April 2016
Balance as at the year end			
TLEF	4,683.35	3,598.34	2,125.35
NEAS*	-	-	2.41
TDPL	2,377.32	1,066.67	-
Total	7,060.67	4,665.01	2,127.76
Maximum amount outstanding at any time during the year			
TLEF	4,783.35	3,766.25	2,259.76
NEAS	-	2.82	3.45
TDPL	2,809.50	6,181.65	-
Total	7,592.85	9,950.72	2,263.21

*NEAS ceased to be a subsidiary of the Company w.e.f. 27 December 2016.

Note 39: Contingent liabilities

	₹ in Lakhs	
	31 March 2018	31 March 2017
(a) Service tax matters in dispute*	394.93	394.93
(b) Income tax matters in dispute	-	37.37
(c) Disputed bonus liability**	3,349.33	3,349.33
(d) ESIC matter under dispute	5.04	5.04
(e) Guarantee***	-	200.00
(f) Claims not acknowledged as debts (under dispute)****	988.37	-

* In addition to aforesaid service tax matters in dispute, there is a case pending with CESTAT for service tax demands pertaining to the period April 2006 to December 2008 aggregating to ₹887.81 lakhs (including penalty etc.) against which the Company has already paid ₹442.46 lakhs and balance is partly provided for as a matter of abundant caution.

** Bonus liability pursuant to the amendment of Payment of Bonus Act, 1965, for financial year 2014-15 is considered as contingent liability, based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country. As per the contractual agreement with the customers, ₹3,332.97 lakhs in respect of associate employees is recoverable from the customers in case such liability arises.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

*** During the prior year, the Company provided a corporate guarantee on behalf of TLSU to Tata Capital Financial Services Limited ("TCFSL") whereby the Company had guaranteed all the obligations of TLSU under the Operating Lease Agreement between TCFSL and TLSU dated 24 July 2014 executed in relation to the lease of computer equipment by TCFSL to TLSU of value not exceeding ₹200.00 lakhs.

**** Represent claim preferred by the erstwhile promoters of ASAP Info Systems Private Limited ("ASAP"), towards final consideration payable upon fulfilment of certain agreed criteria as per the share purchase agreement. No provision for the same has been made in the financial statements, since the agreed criteria has not met by ASAP. The matter is under arbitration and the Company is confident of a favourable outcome.

Note 40: 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
	₹ in Lakhs		
Property, plant and equipment	89.82	-	7.39

(b) Other commitments

Bank guarantees to customers as at 31 March 2018 ₹2,033.13 lakhs (31 March 2017 : ₹828.67 lakhs 1 April 2016 : ₹759.97 lakhs)

(c) 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 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
	₹ in Lakhs	
Lease rentals under cancellable and non-cancellable leases	1,145.60	1,220.91

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

	31 March 2018	31 March 2017
	₹ in Lakhs	
Within one year	361.03	277.69
Later than one year but not later than five years	358.24	466.16
Later than five years	-	-

Note 41: 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 started availing such deduction from financial year 2016-17 onwards.

Note 42: Corporate Social Responsibility expenditure

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

Gross amount required to be spent by the Company towards corporate social responsibility expense (CSR) during the year is ₹80.15 lakhs (31 March 2017 ₹61.12 lakhs). The Company has not spent any amount towards CSR expenditure.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 43: Amount utilised for share issue expenses

Amount utilised for share issue expenses of ₹1,219.70 lakhs includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

Utilisation of funds raised through fresh issue of equity shares pursuant to Initial Public Offering (IPO) is as follows:

Particulars	₹ in Lakhs	
	31 March 2018	31 March 2017
Issue proceeds	14,999.99	14,999.99
Less: Issue expenses till 31 March 2016	1,203.77	1,203.77
Less: Additional issue expenses in 31 March 2017	15.93	15.93
Net proceeds of IPO	13,780.29	13,780.29
Amount utilised as per the objects of the issue as per prospectus	13,780.29	8,864.71
Funds to be utilised (remain invested in current account and fixed deposits with banks)	-	4,915.58
Amount invested in the fixed deposit accounts	-	4,900.00
Balance lying in current accounts	-	15.58
Total	-	4,915.58

The Board of Directors in their meeting held on 8 August 2017 approved to seek the shareholder's approval through Postal Ballot for the variation/deviation in the utilisation of the un-utilised portion of the IPO proceeds. The resolution was passed by the shareholders with requisite majority on 18 September 2017.

Note 44: Disclosure relating to Specified Bank Notes (SBNs) held and transacted during the period 8 November 2016 to 30 December 2016

Particulars	Amount in ₹		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	214,000	21,002	235,002
(+) Permitted receipts	-	1,573,438	1,573,438
(-) Permitted payments	-	1,496,362	1,496,362
(-) Amount deposited in Banks/Exchanged	214,000	-	214,000
Closing cash in hand as on 30 December 2016	-	98,078	98,078

Note 45: First time adoption

A. First time adoption

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

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 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 1 April 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 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions and exceptions available

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 :

- Ind AS 101 permits a first-time adopter to elect to continue with the net 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 net carrying value.
- 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. The Company has elected to apply this exemption for such contracts/arrangements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 45: First time adoption (contd..)

- c) 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 value.

- d) 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.

- e) Share based payment

Ind AS 102 Share Based Payment has not been applied to equity settled share-based payment transactions that vested before date of transition to Ind AS.

- f) 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.

- g) 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.

- h) 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

The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Equity reconciliations

		₹ in Lakhs	
	Note	31 March 2017	1 April 2016
Total Equity (Shareholder's fund) as per previous GAAP		36,999.85	31,015.59
Ind AS adjustments			
Deferred tax (net)	A	306.39	296.92
Stock option outstanding reserve created	B	358.03	63.97
Stock option compensation expense	B	(358.03)	(63.97)
Impact of provision for expected credit loss	D	(1,466.92)	(1,046.96)
Deferred tax on IPO Expenses	A	-	336.71
Others - fair valuation of security deposit etc.	F	(2.05)	(5.49)
Total adjustments		(1,162.58)	(418.82)
Total equity as per Ind AS		35,837.27	30,596.77

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 45: First time adoption (contd..)

(ii) Reconciliation of total comprehensive income

	Note	₹ in Lakhs 31 March 2017
Net profit after tax as per previous GAAP		5,663.48
Ind AS adjustments		
Deferred tax (net)	A	13.71
Stock option compensation expense	B	(294.06)
Actuarial (loss)/ gain	C	(12.26)
Impact of provision for expected credit loss	D	(419.96)
Others - fair valuation of security deposit etc.	F	3.44
Total adjustments		(709.13)
Net profit after tax as per Ind AS		4,954.35
Other comprehensive income (net of tax)	E	8.02
Total comprehensive income as per Ind AS		4,962.37

A: 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.

B: Stock option compensation expense

Under the Previous GAAP, the share based compensation cost was not recognised. Under Ind AS, the share based compensation cost is determined based on the Company's estimate of equity instruments that will eventually vest and amortized over the vesting period on an accelerated basis. However, the same does not result in difference in equity.

C: Actuarial (loss)/ gain

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability/asset are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were accounted for in profit or loss for the year.

D: Impact of provision for 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: 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. Under Ind AS, effect of discounting/ unwinding of refundable security deposits is recognised.

G: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows except for bank overdrafts, which has been netted off with the cash and cash equivalents.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 46: Non-deposit of Provident Fund

During the financial year ended 31 March 2018, the Employees' Provident Fund Organisation vide circular No. Pension-I/17(10)/2016-17/Jeevan Pramaan-Aadhar/4792 dated 5 June 2017 directed employers to link Aadhar number for all new members who join Employees' Pension Scheme, 1995 under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 after 1 July 2017, thereby linking the Unique Account Number (UAN) with Aadhaar so as to make their provident fund ("PF") account linked.

Delay in remittance of the PF contributions was on account of the non-availability / mis-match of personal information of Aadhar number of employees who joined after the said notification came into force. The Company is constantly working towards getting this matter resolved by having the linking of UAN completed with the Aadhar information.

Note 47: Previous year

The figures of previous year were audited by a firm of chartered accountants other than S.R. Batliboi & Associates LLP. Previous years figures have been reclassified wherever necessary to conform to the current year classifications.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

Per Navin Agrawal

Partner

Membership Number: 56102

For and on behalf of the Board of Directors

TeamLease Services Limited

Ashok Reddy

Managing Director

DIN: 00151814

N. Ravi Vishwanath

Chief Financial Officer

Latika Pradhan

Director

DIN: 07118801

Mruthunjaya Murthy

Company Secretary

CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Services Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of TeamLease Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated 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 of the consolidated state of affairs of the Group and its associates as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose Ind AS financial statements include total assets of Rs. 28,738.78 Lakhs and net assets of Rs. 4,043.70 Lakhs as at March 31, 2018, and total revenues of Rs 18,374.21 Lakhs and net cash outflows of Rs. 483.20 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial

information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 25.74 Lakhs for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose Ind AS financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

- (b) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the rule 7 of the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 18, 2017 and May 23, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the

books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries and associates incorporated in India, none of the directors of the Group's companies and its associates incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiaries and associates incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matters' paragraph:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 38 to the consolidated Ind AS financial statements;
 - The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal

Partner
Membership Number: 56102

Place of Signature: Bangalore
Date: May 16, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the consolidated Ind AS financial statements of TeamLease Services Limited

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

In conjunction with our audit of the consolidated financial statements of TeamLease Services Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of TeamLease Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries which are companies incorporated in India, as of that date. This report however does not include report on the internal financial controls under clause (i) of Sub-section 3 of Section 3 of Section 143 of the Act (the 'Report on Internal Financial Controls') for Cassius Technologies Private Limited and School Guru Eduserve Private Limited, associates of the Holding Company, as according to the information and explanation given to us, the said report on Internal Financial Controls is not applicable to such associates, basis the exemption available under MCA notification no. G.S.R. 583(E) dated July 13, 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 With Reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria

established by the Holding 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to five subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal

Partner
Membership Number: 56102

Place of Signature: Bangalore
Date: May 16, 2018

CONSOLIDATED BALANCE SHEET

as at 31 March 2018

₹ in Lakhs

	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	542.65	272.28	176.52
Goodwill	5	11,275.12	8,373.63	235.15
Other intangible assets	5	1,937.29	2,046.35	700.59
Intangible assets under development		21.89	-	-
Financial assets				
Investment in associates	6	2,697.80	-	-
Loans	8	5,134.79	4,074.58	2,591.41
Other financial assets	9	4,186.20	3,519.92	2,942.89
Deferred tax assets (net)	10	3,992.19	2,484.32	1,087.51
Income tax assets (net)	11	9,989.33	5,081.34	3,853.14
Other non-current assets	12	201.62	93.47	177.28
Total non-current assets		39,978.88	25,945.89	11,764.49
Current assets				
Financial assets				
Investments	7	3,231.52	1,031.17	-
Trade receivables	13	22,348.64	17,294.04	11,994.27
Cash and cash equivalents	14	7,292.99	2,556.51	4,959.86
Bank balances other than cash and cash equivalents	14	6,950.40	13,458.57	20,938.50
Loans	8	139.52	256.64	263.30
Other financial assets	9	7,143.11	6,076.79	6,546.45
Other current assets	15	1,299.03	925.65	648.71
Assets classified as held for sale	44	221.73	221.73	221.73
Total current assets		48,626.94	41,821.10	45,572.82
Total assets		88,605.82	67,766.99	57,337.31
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	1,709.68	1,709.68	1,709.68
Other equity	17	42,457.04	34,925.12	28,844.41
Total equity		44,166.72	36,634.80	30,554.09
Liabilities				
Non-current liabilities				
Net employee defined benefit liabilities	18	4,372.09	3,750.85	2,825.70
Other non-current liabilities	19	489.07	487.34	498.11
Total non-current liabilities		4,861.16	4,238.19	3,323.81
Current liabilities				
Financial liabilities				
Borrowings	20	728.69	109.91	1,936.16
Trade payables	21	1,760.83	981.13	847.54
Other financial liabilities	22	16,258.13	15,394.88	12,337.67
Net employee defined benefit liabilities	18	2,241.83	1,412.87	927.66
Other current liabilities	23	18,567.46	8,861.98	7,389.38
Current tax liabilities (net)	11a	-	112.23	-
Liabilities directly associated with the assets classified as held for sale	44	21.00	21.00	21.00
Total current liabilities		39,577.94	26,894.00	23,459.41
Total liabilities		44,439.10	31,132.19	26,783.22
Total equity and liabilities		88,605.82	67,766.99	57,337.31
Summary of significant accounting policies	3			

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

Per Navin Agrawal

Partner

Membership Number: 56102

For and on behalf of the Board of Directors

TeamLease Services Limited

Ashok Reddy

Managing Director

DIN: 00151814

N. Ravi Vishwanath

Chief Financial Officer

Latika Pradhan

Director

DIN: 07118801

Mruthunjaya Murthy

Company Secretary

CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

₹ in Lakhs

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Income			
Revenue from operations	24	3,62,411.54	3,04,129.41
Other income	25	1,563.39	2,166.87
Total income		3,63,974.93	3,06,296.28
Expenses			
Employee benefits expense	26	3,47,123.72	2,94,132.73
Finance costs	27	246.67	109.71
Depreciation and amortization expense	28	915.84	610.47
Other expenses	29	8,409.59	6,292.78
Total expenses		3,56,695.82	3,01,145.69
Profit before share of profit/(loss) from associates		7,279.11	5,150.59
Share of (loss)/ profit from associates		(25.74)	-
Profit before tax		7,253.37	5,150.59
Tax expense:	11		
- Current tax		1,609.75	1,389.42
- Tax credit for earlier years		(81.10)	(6.22)
- Deferred tax			
Minimum Alternate Tax (MAT) credit		(1,553.46)	(1,218.82)
Deferred tax (credit)/ charge		(67.41)	(770.83)
Income tax (credit)/ expense		(92.22)	(606.45)
Profit for the year		7,345.59	5,757.04
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	31		
Remeasurement gains on defined benefits obligation		35.26	69.64
Income tax effect		(12.20)	(24.10)
Other comprehensive income for the year, net of tax		23.06	45.54
Total comprehensive income for the year, net of tax		7,368.65	5,802.58
Earnings per equity share:			
Basic and diluted (amount in ₹)	30	42.96	33.67
Summary of significant accounting policies	3		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership Number: 56102

For and on behalf of the Board of Directors
TeamLease Services Limited

Ashok Reddy
Managing Director
DIN: 00151814

N. Ravi Vishwanath
Chief Financial Officer

Latika Pradhan
Director
DIN: 07118801

Mruthunjaya Murthy
Company Secretary
CSN: 11766

Place: Bangalore
Date: 16 May 2018

Place: Bangalore
Date: 16 May 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

a. Equity share capital:

Issued, subscribed and fully paid share capital

	₹ in Lakhs	
	Numbers	Amount
Equity shares of ₹10 each:		
At 1 April 2016	1,70,96,769	1,709.68
Additions during the year	-	-
At 31 March 2017	1,70,96,769	1,709.68
Additions during the year	-	-
At 31 March 2018	1,70,96,769	1,709.68

Also refer note 16

b. Other equity

Particulars	Attributable to equity shareholders of the Company Reserves and surplus			Total other equity
	Securities premium	Stock option outstanding reserve	Retained earnings	Total
As at 1 April 2016	23,988.65	63.97	4,791.79	28,844.41
Profit for the year	-	-	5,757.04	5,757.04
Other comprehensive income	-	-	45.54	45.54
Total comprehensive income	23,988.65	63.97	10,594.37	34,646.99
Amount utilized for share issue expenses	(15.93)	-	-	(15.93)
Stock option compensation expense	-	294.06	-	294.06
As at 31 March 2017	23,972.72	358.03	10,594.37	34,925.12
As at 1 April 2017	23,972.72	358.03	10,594.37	34,925.12
Profit for the year	-	-	7,345.59	7,345.59
Other comprehensive income	-	-	23.06	23.06
Total comprehensive income	23,972.72	358.03	17,963.02	42,293.77
Stock option compensation expense	-	163.27	-	163.27
As at 31 March 2018	23,972.72	521.30	17,963.02	42,457.04

Summary of significant accounting policies

3

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

Per Navin Agrawal

Partner

Membership Number: 56102

For and on behalf of the Board of Directors

TeamLease Services Limited

Ashok Reddy

Managing Director

DIN: 00151814

N. Ravi Vishwanath

Chief Financial Officer

Latika Pradhan

Director

DIN: 07118801

Mruthunjaya Murthy

Company Secretary

CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Operating activities		
Profit before tax and share of profit/(loss) from associates	7,279.11	5,150.59
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	915.84	610.47
Dividend income on mutual fund investments	(99.55)	(183.42)
Finance costs	246.67	109.71
Interest income	(852.87)	(1,321.85)
(Gain)/loss on disposal of property, plant and equipment (net)	1.77	1.48
Fair value adjustments (net)	(0.96)	2.18
Liabilities no longer required written back	(360.10)	(182.52)
Bad debts written off	131.86	100.07
Provision for expected credit loss	469.28	824.19
Provision for service tax input credit	-	64.82
Profit on sale of subsidiary	-	(1.06)
Share-based payment expenses	163.27	294.06
Sundry balances written off	19.88	9.70
Working capital adjustments		
Decrease/(increase) in trade receivables	(4,280.32)	(4,724.59)
Decrease/(increase) in loans	819.62	707.47
Decrease/(increase) in other assets	1,581.48	957.09
Decrease/(increase) in other financial assets	(1,591.09)	(600.10)
Increase/(decrease) in trade payables and other financial liabilities	535.26	2,894.99
Increase/(decrease) in other liabilities	9,736.21	502.35
Increase/(decrease) in employee defined benefits payable	(241.93)	857.28
	14,473.43	6,072.91
Income tax paid (net)	(6,548.87)	(2,499.17)
Net cash flows from operating activities	7,924.56	3,573.74
Investing activities		
Purchase of property, plant and equipment	(173.68)	(86.75)
Purchase of intangible assets (including under development)	(61.28)	(110.15)
Proceeds from disposal of property, plant and equipment	1.60	2.91
Acquisition of business (net of cash and cash equivalents acquired)	(3,478.62)	(8,778.53)
Sale/(purchase) of current investments	(2,200.35)	(1,031.16)
Dividend income on mutual fund investments	99.55	183.42
Loans and advances given to related parties	(1,038.04)	(1,335.19)
Purchase of Non-current investments	(2,723.54)	-
Proceeds from sale of Non-current investments	-	1.06
Investments in Fixed deposits (Net)	6,379.67	7,672.50
Interest received on Loans	176.71	161.63
Interest received on Fixed Deposits	663.14	1,460.38
Net cash flows from / (used in) investing activities	(2,354.84)	(1,859.88)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Financing activities		
Proceeds from issue on exercise of stock options	3.70	3.04
Proceeds from borrowings (net of repayments)	(1,086.21)	(2,168.36)
Share issue expenses	-	(15.93)
Finance costs	(246.67)	(109.71)
Net cash flows from / (used in) financing activities	(1,329.18)	(2,290.96)
Net increase / (decrease) in cash and cash equivalents	4,240.54	(577.10)
Cash and cash equivalents at the beginning of the year	2,446.60	3,023.70
Cash and cash equivalents at the end of the year	6,687.14	2,446.60

Summary of significant accounting policies

3

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

For and on behalf of the Board of Directors

TeamLease Services Limited

Per Navin Agrawal

Partner

Membership Number: 56102

Ashok Reddy

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

1 Corporate information

TeamLease Services Limited (the "Company") and its subsidiaries, associates and trust are collectively referred herein as the "Group". The Group is primarily engaged in providing staffing services, HR requirements offering a gamut of services that include Temporary Staffing, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments, Telecom staffing, Technology led specialized academic services and end to end online services for software product engineering.

The Company was converted into a Public Limited company and obtained a fresh certificate of incorporation dated 15 May 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 12 February 2016.

The consolidated financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 16 May 2018.

2 Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements of the Group 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 consolidated financial statements for the year ended March 31 2018 are the first the group has prepared in accordance with Ind AS. Refer note 47 for information on how the group 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;
- Defined benefit 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 consolidated financial statements are presented in Indian Rupee and all values are rounded to nearest lakhs except when otherwise stated.

(iii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates and trusts as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are not realized are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Group information:

(a) Subsidiaries and Trust

The consolidated financial statements of the Group includes subsidiaries and ESOP trust listed in the table below:

Name of the subsidiary	Principal activities	Country of incorporation	% equity interest		
			31 March 2018	31 March 2017	1 April 2016
TeamLease Education Foundation ('TLEF')	Education and apprenticeship.	India	100	100	100
TeamLease Digital Private Limited ('TDPL') (formerly known as the "TeamLease Staffing Services Private Limited")	IT Staffing business	India	100	100	-
Keystone Business Solutions Private Limited ('KBSPL')	IT Staffing business	India	100	100	-
Evolve Technologies and Services Private Limited ('Evolve')	Telecom Staffing business	India	100	-	-
ASAP Info Systems Private Limited ('ASAP')	IT Staffing business	India	-	100	-
Nichepro Technologies Private Limited ('NPTPL')	IT Staffing business	India	-	100	-
India Tourism and Hospitality Skills Education Private Limited ('ITHS') (ceased to be subsidiary w.e.f. 27 December, 2016)	Tourism & Hospitality	India	-	-	100
National Employability Apprenticeship Services ('NEAS') (ceased to be subsidiary w.e.f. 27 December, 2016)	Education and apprenticeship.	India	-	-	100
IIJT Education Private Limited ('IIJT')		India	100	100	100
Employee Benefit Trust	Trust	India	100	100	100

Note

The Board of directors of TDPL, ASAP and Nichepro in their respective meetings held on 22 March 2017 approved the Scheme of Amalgamation of ASAP and Nichepro with TDPL and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 with appointed date as 1 January 2017. National Company Law Tribunal has approved the above scheme on 12 December 2017. The impact of such merger has been accounted with effect from 1 January 2017 in books of TDPL.

(b) Associates

Associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Details of associates considered for consolidation, with respective holdings thereof are as follows:

Name of the associates	Country of incorporation	Date of acquisition	% of holding	Principal activities
Cassius Technologies Private Limited	India	01 June 2017	30	End to end online service for software product engineering
School Guru Eduserve Private Limited	India	01 December 2017	22.19	Technology-led specialised academic services

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses, unless the Group has legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3 Summary of significant accounting policies

3.1 Current versus non-current classification

The Group 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 Group 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 Group has considered twelve months as its operating cycle.

3.2 Foreign currency translation

(i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are initially recorded by the Group 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.

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3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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 services agreed in the contract with the customers.

Recruitment and other services

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services and payroll is recognized on accrual basis as per the terms of the contract with the customers.

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 Group 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 Group'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 charge or credit 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.

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). 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 the same, 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 and associates, 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 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

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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 1 April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Group as 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 Group 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 Group'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 Group 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.

Group as lessor

Lease income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation.

3.6 Property, plant and equipment

On transition to Ind AS, the Group has elected to continue with the net 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. All repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part thereof 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 statement of profit and loss 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 the estimated useful lives of the plant and equipment as given under Part C of Schedule II of the Act as follows;

Asset	Useful life in Years
Office equipment	5
Computers	3
Furniture and fixtures	10
Vehicles	6
Plant and machinery	5

3.7 Intangible assets

On transition to Ind AS, the Group has elected to continue with the net 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

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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.

Research and development costs

"Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

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	Useful life in years	Internally generated or acquired
Brand	3	Acquired
ALCS - software	3	Internally generated
Software others	3	Acquired
Non competent rights	3-4	Acquired
Customer relationship	5	Acquired

3.8 Impairment of non-financial assets

The Group 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 Group 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 group 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.

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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 (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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. The Company follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through profit or loss.

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 Group 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 Group has not retained control of the financial asset. Where the Group 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 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 fair value through profit or loss

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 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

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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 Group may transfer the cumulative gain or loss within equity. All other change in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

(iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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 Group 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 promoters and directors of the Company, in prior years had contributed certain equity shares free of cost to EBT, which are 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 carried at nil value. Share options exercised during the reporting period are adjusted against 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.

3.11 Cash and cash equivalents

"Cash and cash equivalents in the 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

Defined benefit plan

Gratuity obligations

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, done on projected unit credit method as at the balance sheet date. The Group 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.

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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 group 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 consolidated 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..

Contribution to TeamLease Provident Fund

The Group has a defined benefit plan for post employment benefits in the form of provident fund. The Group makes contribution for provident fund to the trust set up by the Group 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 Group. The Group's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Defined contribution plan

Contribution to Government Provident Fund

In case of subsidiaries and certain employees of TeamLease Services Limited, the Group pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Group 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.

Share-based payments

Employees of the Group receive remuneration in the form of employee option plan of the Group (equity settled instruments) for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. The equity instruments generally vest in a graded manner over the vesting period i.e the period over which all the specified vesting conditions are to be satisfied. The fair value determined at the grant

date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity. The stock option compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

Compensated absences

The employees of the Group are entitled to be compensated for unavailed leave as per the policy of the Group, 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 Group'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 Group 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 Group 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 Group, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation.

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

3.14 Cash dividend distribution to equity holders

The Group recognizes a liability to make cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. 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 parent 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 parent Company 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 Group's 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 Group 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 Group. Such changes are reflected/updated in the assumptions when they eventually occur.

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefit and the present value of the 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 increase is based on expected future inflation rates.

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.

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Impairment of non-current assets including investments in associates and goodwill

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow Model ('DCF') model. Further, the cash flow projections are based on estimates and assumptions relating to operational performance, growth rate, operating margins of the CGU.

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 Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

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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 Group and allocated resources based on the analysis of various performance indicators of the Group. 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.
- c) Specialized Staffing Services - Comprises of IT Staffing and Telecom Staffing Operations.

3.18 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.20 Relevant standard issued but not yet effective

The standards issued, but yet not effective upto the date of issuance of the Group's financial statements and applicable to the Group are disclosed below.

Ind AS 115 Revenue from contracts with customers

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer (i.e., when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the 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 requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after 1 April 2018.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for estimation of future taxable profits

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 1 April 2018.

The Company will adopt the aforesaid amendments effective from 1 April 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the aforesaid amendments and the impact on its financial statements in the period of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 4: Property, plant and equipment

₹ in Lakhs

	Office equipment	Computers	Furniture & fixtures	Vehicles	Plant & machinery	Total
Gross block						
Deemed cost at 1 April 2016	96.69	25.58	43.75	10.50	-	176.52
Acquired on acquisitions (Refer note 45)	29.27	30.69	57.18	12.59	-	129.73
Additions	29.22	8.44	26.51	10.56	-	74.73
Disposals	-	-	-	(4.40)	-	(4.40)
As at 31 March 2017	155.18	64.71	127.44	29.25	-	376.58
Acquired on acquisitions (Refer note 45)	-	73.14	-	-	195.71	268.85
Additions	75.66	80.01	16.81	-	1.59	174.07
Disposals	(0.05)	(9.49)	-	-	-	(9.54)
As at 31 March 2018	230.79	208.37	144.25	29.25	197.30	809.96
Accumulated depreciation						
Charge during the year	50.11	27.90	20.65	5.64	-	104.30
Disposals	-	-	-	-	-	-
As at 31 March 2017	50.11	27.90	20.65	5.64	-	104.30
Charge during the year	38.41	54.04	24.00	5.73	47.00	169.18
Disposals	(0.05)	(6.12)	-	-	-	(6.17)
As at 31 March 2018	88.47	75.82	44.65	11.37	47.00	267.31
Net Block						
As at 1 April 2016	96.69	25.58	43.75	10.50	-	176.52
As at 31 March 2017	105.07	36.81	106.79	23.61	-	272.28
As at 31 March 2018	142.32	132.55	99.60	17.88	150.30	542.65

Note 5: Other intangible assets

₹ in Lakhs

	Customer relationships	Brand	Non-compete	ALCS - software	Software - others	Total	Goodwill
Gross block							
Deemed cost at 1 April 2016	-	-	-	587.33	113.26	700.59	235.15
Acquired on acquisitions (Refer note 45)	1,355.90	61.21	309.08	-	15.59	1,741.78	8,138.48
Additions	-	-	-	-	110.15	110.15	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2017	1,355.90	61.21	309.08	587.33	239.00	2,552.52	8,373.63
Acquired on acquisitions (Refer note 45)	201.93	93.95	228.62	-	73.71	598.21	2,901.49
Additions	-	-	-	-	39.39	39.39	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2018	1,557.83	155.16	537.70	587.33	352.10	3,190.12	11,275.12
Accumulated amortisation							
Charge during the year	131.02	10.74	40.17	235.06	89.18	506.17	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2017	131.02	10.74	40.17	235.06	89.18	506.17	-
Charge during the year	288.01	33.45	99.30	235.06	90.84	746.66	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2018	419.03	44.19	139.47	470.12	180.02	1,252.83	-
Net Block							
As at 1 April 2016	-	-	-	587.33	113.26	700.59	235.15
As at 31 March 2017	1,224.88	50.47	268.91	352.27	149.82	2,046.35	8,373.63
As at 31 March 2018	1,138.80	110.97	398.23	117.21	172.08	1,937.29	11,275.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The operations of the Group mainly relates to rendering the service related to man power, hence the entire goodwill amount is allocated to one CGU as specialized staffing services. Key assumptions in budgets and plans include future revenue, associated future levels of marketing expense and other relevant cost. These assumptions are based on historical trends and future market expectations related to CGU.

The following table set out the key assumptions for Goodwill impairment:

Growth rate	22.20%
Operating margins	9%-10%
Discount rate	17.66%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates may differ from future actual results of operations and cash flows. Based on the above assessment, there has been no impairment of goodwill as at 31 March 2018.

Note 6: Investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Non-current			
Unquoted, carried at cost			
(i) Investments in equity shares in associates			
Cassius Technologies Private Limited 3,333 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of Rs. 10 each, fully paid (Refer note 1 below)	617.05	-	-
School Guru Eduserve Private Limited 184,068 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of Rs. 10 each, fully paid (Refer note 2 below)	730.75	-	-
(ii) Investment in preference shares in associate			
School Guru Eduserve Private Limited 0.1% Compulsorily Convertible Cumulative Preference Shares (CCCCPS) 269,681 (31 March 2017: Nil, 1 April 2016: Nil) preference shares of Rs. 10 each (Refer note 2 below)	1,350.00	-	-
	2,697.80	-	-
Aggregate Value of unquoted investments	2,697.80	-	-
Aggregate amount of provision for diminution	-	-	-

Notes:

- 1) The Company entered into a definitive agreement on 29 May 2017 to acquire 30% stake in Cassius Technologies Private Limited ("CTPL"). CTPL is engaged in rendering end to end online services for software product engineering.
- 2) The Company entered into a definitive agreement on 8 November 2017, with School Guru Eduserve Private Limited ("School Guru") to acquire 16.31% equity stake in School Guru (on fully diluted basis) and further subscribed to CCCPS. School Guru is engaged in rendering technology-led specialized academic services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 7: Investments - at fair value through profit and loss

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in mutual funds (current)			
HDFC Short Term Plan - Monthly Dividend Reinvestment Nil Units of Rs. Nil each (31 March 2017: 5,115,190.39 units of Rs.10.34 each, 1 April 2016: Nil units of Rs. Nil each)	-	529.13	-
ICICI Prudential Liquid Plan Daily Dividend Reinvestment Nil Units of Rs. Nil each (31 March 2017: 501,541.80 units of Rs. 100.10 each, 1 April 2016: Nil units of Rs. Nil each)	-	502.04	-
HDFC Cash Management Fund - Savings 142,795.48 Units of Rs.1063.64 each (31 March 2017: Nil units of Rs. Nil each, 1 April 2016: Nil units of Rs. Nil each)	1,518.83	-	-
BNP Paribas Overnight Fund Daily Dividend 100,368.86 Units of Rs. 1,000.50 each (31 March 2017: Nil units of Rs. Nil each, 1 April 2016: Nil units of Rs. Nil each)	1,004.19	-	-
TATA Liquid Fund Regular Plan - Daily Dividend 63,569.72 Units of Rs. 1,114.52 each (31 March 2017: Nil units of Rs. Nil each, 1 April 2016: Nil units of Rs. Nil each)	708.50	-	-
	3,231.52	1,031.17	-
Aggregate amount of unquoted investment and market value thereof	3,231.52	1,031.17	-

Note 8: Loans

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
(Unsecured, Considered good, unless otherwise stated)			
Loan to related parties (Refer note 37)	4,313.54	3,375.50	2,040.31
Security deposit	622.92	601.70	509.81
Other deposits	198.33	97.38	41.29
	5,134.79	4,074.58	2,591.41
(Considered doubtful)			
Other deposits	82.70	82.70	82.70
Less: Provision for doubtful deposits	(82.70)	(82.70)	(82.70)
	-	-	-
	5,134.79	4,074.58	2,591.41

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
(Unsecured, Considered good, unless otherwise stated)			
Loan to related parties (Refer note 37)	100.00	-	-
Security deposit	29.89	41.92	48.99
Other deposits	9.63	214.72	214.31
	139.52	256.64	263.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 9: Other financial assets

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
(Unsecured, Considered good, unless otherwise stated)			
Interest accrued on fixed deposits	13.67	10.27	9.70
Reimbursement right for gratuity (Refer note 31)	3,833.16	3,298.77	2,529.74
Fixed deposits with banks (maturity of more than 12 months) (Refer note 14)	339.37	210.88	403.45
	4,186.20	3,519.92	2,942.89

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
(Unsecured, Considered good, unless otherwise stated)			
Interest accrued on fixed deposits	154.85	145.24	364.00
Interest accrued on loans to related party	-	-	81.97
Receivable from sale of assets	-	1.91	-
Unbilled revenue	4,973.28	4,719.76	5,327.18
Reimbursement right for gratuity (Refer note 31)	2,014.98	1,209.88	773.30
	7,143.11	6,076.79	6,546.45
Considered doubtful			
Advances to others	-	23.69	-
Less: Provision for doubtful loans and advances	-	(23.69)	-
	7,143.11	6,076.79	6,546.45

Note 10: Deferred tax assets (net)

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets/(liabilities)	1,219.91	1,265.50	1,087.51
MAT credit entitlement	2,772.28	1,218.82	-
	3,992.19	2,484.32	1,087.51

₹ in Lakhs

As at	Provision for expected credit loss	Depreciation on fixed assets	Provision for leave encashment and gratuity	Unabsorbed depreciation and business losses	Others	Total
1 April 2016	437.16	190.68	155.73	-	303.94	1,087.51
Credit/ charge:						
Profit and loss	293.54	294.44	66.18	387.12	(270.45)	770.83
Other comprehensive income	-	-	(24.10)	-	-	(24.10)
Deferred taxes acquired in business combinations	5.70	(602.09)	27.01	-	0.64	(568.74)
31 March 2017	736.40	(116.97)	224.82	387.12	34.13	1,265.50
Credit/ charge:						
Profit and loss	113.22	(476.85)	28.35	403.28	(0.59)	67.41
Other comprehensive income	-	-	(12.20)	-	-	(12.20)
Deferred taxes acquired in business combinations	8.26	(132.64)	23.58	-	-	(100.80)
31 March 2018	857.88	(726.46)	264.55	790.40	33.54	1,219.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 11: Income tax assets (net)

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax (net of provision for taxation)	9,989.33	5,081.34	3,853.14
	9,989.33	5,081.34	3,853.14

Income tax expense/ (credit) in the statement of profit and loss consists of:

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Current income tax charge	1,609.75	1,389.42
MAT credit entitlement	(1,553.46)	(1,218.82)
Tax adjustment for earlier years	(81.10)	(6.22)
Deferred tax (net)	(67.41)	(770.83)
Income tax reported in the statement of profit or loss	(92.22)	(606.45)

Income tax recognised in other comprehensive income

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax charge	12.20	24.10
Income tax expense charged to OCI	12.20	24.10

Reconciliation of effective tax rate:

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before share of profit/(loss) from associates	7,279.11	5,150.59
Tax using the Company's domestic tax rate @34.608% (31 March 2017: 34.608%)	2,519.15	1,782.52
Tax effect of:		
Tax exempt income	(34.45)	(63.48)
Non-deductible tax expense	56.51	101.77
Provisions related to prior years	(81.10)	(6.22)
80JJAA deduction	(2,685.31)	(2,020.77)
Unabsorbed business losses	-	(387.12)
Others	132.98	(13.15)
Income tax (credit)/expense	(92.22)	(606.45)

Note 11a: Current tax liabilities (net)

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for income tax (net)	-	112.23	-
	-	112.23	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 12: Other non-current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
(Unsecured, Considered good, unless otherwise stated)			
Capital advances	-	-	2.32
Prepaid expenses	187.58	88.62	100.65
Balances with statutory/ government authorities	14.04	4.85	74.31
	201.62	93.47	177.28
(Considered doubtful)			
Balances with statutory/ government authorities	64.82	64.82	-
Less: Provision for doubtful balances	(64.82)	(64.82)	-
	-	-	-
	201.62	93.47	177.28

Note 13: Trade receivables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
(Unsecured, Considered good, unless otherwise stated)			
Trade receivables from related parties	1,332.59	736.99	488.45
Trade receivables - others (net of bills discounted)	21,016.05	16,557.05	11,505.82
	22,348.64	17,294.04	11,994.27
(Considered doubtful)			
Trade receivables - others	2,510.95	2,136.94	351.30
Less: Provision for expected credit loss	(2,510.95)	(2,136.94)	(351.30)
	-	-	-
	22,348.64	17,294.04	11,994.27

- a) No receivable is due from directors or other officers of the Group either severally or jointly with any other person. For trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 37.
- b) Trade receivables are non-interest bearing and with credit period upto 120 days.

Note 14: Cash and cash equivalents and bank balances

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Balances with banks			
- On current accounts	7,292.54	2,556.46	4,959.86
Cash on hand	0.45	0.05	-
	7,292.99	2,556.51	4,959.86
Other bank balances			
Deposits with remaining maturity of less than 12 months*	6,950.40	13,458.57	20,938.50
Deposits with remaining maturity of more than 12 months**	339.37	210.88	403.45
	7,289.77	13,669.45	21,341.95
Less : Amounts disclosed under other financial assets (Refer note 9)	(339.37)	(210.88)	(403.45)
	6,950.40	13,458.57	20,938.50
	14,243.39	16,015.08	25,898.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 14: Cash and cash equivalents and bank balances (contd..)

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

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- On current accounts	7,292.54	2,556.46	4,959.86
Cash on hand	0.45	0.05	-
	7,292.99	2,556.51	4,959.86
Less: Bank overdraft	(605.85)	(109.91)	(1,936.16)
	6,687.14	2,446.60	3,023.70

*Fixed deposits of Rs. 5,559.72 lakhs as at 31 March 2018 (31 March 2017: Rs. 4,409.34 lakhs and 1 April 2016: Rs. 2,937.50 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Group.

**Fixed deposits of Rs. 339.37 lakhs as at 31 March 2018 (31 March 2017: Rs. 193.24 lakhs and 1 April 2016: Rs. 403.45 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Group.

Note 15: Other current assets

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured, Considered good, unless otherwise stated)			
Prepaid expenses	645.66	558.08	457.54
Loans and advances to employees	50.98	30.12	45.00
Advances, other than capital advances	579.81	315.73	115.83
Other assets	22.58	21.72	30.34
	1,299.03	925.65	648.71
(Considered doubtful)			
Other advances	11.92	11.92	11.92
Provision for doubtful loans and advances	(11.92)	(11.92)	(11.92)
	-	-	-
	1,299.03	925.65	648.71

Note 16: Equity share capital

Equity share capital

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Authorised equity share capital			
23,300,000 (31 March 2017: 23,300,000, 1 April 2016: 23,300,000) equity shares of Rs. 10 each.	2,330.00	2,330.00	2,330.00
(ii) Authorised 12% Cumulative Convertible Redeemable Preference Shares (CCPS)			
170,000 (31 March 2017: 170,000, 1 April 2016: 170,000) CCPS of Rs. 100 each	170.00	170.00	170.00
(iii) Issued, subscribed and fully paid-up shares			
17,096,769 (31 March 2017: 17,096,769, 1 April 2016: 17,096,769) equity shares of Rs. 10 each.	1,709.68	1,709.68	1,709.68
Total issued, subscribed and fully paid-up shares	1,709.68	1,709.68	1,709.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 16: Equity share capital (contd..)

(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 Group 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.

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

Name of the shareholders

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Equity shares of Rs.10 each fully paid						
HR Offshoring Ventures Pte Limited	45,71,779	26.74	45,71,779	26.74	54,26,579	31.74
GPE (India) Limited	11,14,324	6.52	17,71,299	10.36	17,71,299	10.36
NED Consultants LLP	16,24,416	9.50	17,09,900	10.00	8,55,100	5.00
HDFC Trustee Company Limited	2,15,543	1.26	15,38,093	9.00	6,72,427	3.93
Dhana Management Consultancy LLP	9,04,413	5.29	12,60,278	7.37	13,79,886	8.07
IDBI Trusteeship Services Limited	-	-	-	-	10,22,137	5.98

(vi) There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust. Also refer note 32.

(vii) 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:

- On 25 June 2015, the shareholders of the Company approved the issue and allotment of 29 Bonus equity shares of Re. 1 each for every equity share of Re. 1 each held by the members as on that date. Post such bonus issue, every 10 equity shares of Re. 1 of the Company are consolidated into 1 equity share of Rs. 10 each thereby, 153,320,640 shares of Re. 1 each had been consolidated into 15,332,064 shares of Rs. 10 each w.e.f. 10 July 2015.
- There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended 31 March 2018.
- There are no shares bought back by the Company during the period of five years immediately preceding the year ended 31 March 2018.

(viii) Pursuant to Initial Public Offering (IPO) during the year ended 31 March 2016, 1,764,705 equity shares of the Company of Rs.10 each were allotted at Rs. 850 per equity share on 10 February 2016.

Note 17: Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium	23,972.72	23,972.72	23,988.65
Retained earnings	17,963.02	10,594.37	4,791.79
Stock option outstanding reserve	521.30	358.03	63.97
	42,457.04	34,925.12	28,844.41

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) Stock option outstanding reserve

This reserve relates to stock options granted by the Company to employees under TeamLease Employee Stock Option Plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 18: Net employee defined benefit liabilities

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Employee benefits - Gratuity (Refer note 31)	4,152.87	3,541.89	2,688.87
Employee benefits - Compensated absences	219.22	208.96	136.83
	4,372.09	3,750.85	2,825.70
Current			
Employee benefits - Gratuity (Refer note 31)	2,126.34	1,305.89	849.28
Employee benefits - Compensated absences	115.49	106.98	78.38
	2,241.83	1,412.87	927.66

Note 19: Other non-current liabilities

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Disputed tax liabilities (Refer Note 38)	421.90	421.90	421.90
Other liabilities	67.17	65.44	76.21
	489.07	487.34	498.11

Note 20: Borrowings

₹ in Lakhs

	Effective interest rate	Maturity	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current					
Bank overdraft (secured)*	7% to 8%	On Demand	605.85	109.91	1,936.16
Unsecured					
Short term loan	9.30%	7 December 2018	122.84	-	-
			728.69	109.91	1,936.16

*The overdraft facilities from Bank are secured by lien on fixed deposits.

Note 21: Trade payables

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,760.83	981.13	847.54
	1,760.83	981.13	847.54

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 22: Other financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Current			
Employees benefits payable	14,008.52	13,115.80	11,537.75
Other liabilities	1,134.84	50.00	-
Creditors for capital goods	0.39	-	14.34
Security deposit	126.62	-	-
Bank overdraft	987.76	2,229.08	785.58
	16,258.13	15,394.88	12,337.67

Note 23: Other current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
₹ in Lakhs			
Statutory dues payable	10,606.48	4,944.37	4,098.22
Advance from customers	5,183.04	1,267.05	1,210.78
Other liabilities	2,777.94	2,650.56	2,080.38
	18,567.46	8,861.98	7,389.38

Note 24: Revenue from operations

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Lakhs		
Sale of services		
-General staffing	3,35,220.75	2,93,140.21
-Specialized staffing	18,293.44	5,078.58
Other operating revenue		
Recruitment services		
-Permanent recruitment	1,641.47	1,673.01
-Temporary recruitment	215.85	282.11
Skills and development	3,653.35	1,688.94
Royalty and affiliation Income	8.76	41.88
Income from regulatory Services	1,324.00	1,116.75
Payroll income	2,053.92	1,107.93
	3,62,411.54	3,04,129.41

Note 25: Other income

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Lakhs		
Interest income on:		
Loans to related parties (Refer note 37)	176.71	161.63
Deposits with banks	676.16	1,160.22
Income tax refunds	1.06	328.88
Others	20.70	42.99
Rental income	48.30	42.37
Liabilities no longer required written back	360.10	182.52
Dividend income on mutual fund investments	99.55	183.42
Profit on sale of subsidiary	-	1.06
Miscellaneous income	180.81	63.78
	1,563.39	2,166.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 26: Employee benefits expense

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	3,20,199.68	2,71,945.36
Stock option compensation expense	163.27	294.06
Gratuity expense	143.84	104.29
Leave encashment	128.40	162.28
Contribution to provident fund and other funds	24,635.22	20,074.84
Staff welfare expenses	1,853.31	1,551.90
	3,47,123.72	2,94,132.73

Note 27: Finance costs

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Interest on bank overdraft	225.00	98.15
Interest - others	21.67	11.56
	246.67	109.71

Note 28: Depreciation and amortisation expense

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	169.18	104.30
Amortization of other intangible assets	746.66	506.17
	915.84	610.47

Note 29: Other expenses

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Rent	1,796.87	1,278.74
Rates and taxes	63.59	71.58
Electricity	167.70	173.91
Travelling and conveyance	684.06	515.80
Repairs and maintenance		
-Leasehold premises	14.14	12.12
-Others	747.30	713.23
Printing and stationery	350.94	246.25
Legal and professional charges	1,055.26	704.82
Sundry balances written off	19.88	9.70
Insurance - Others	22.36	24.87
Bad debts written off	252.13	120.51
Less: Provision utilised	(120.27)	(20.44)
Provision for expected credit loss	469.28	824.19
Provision for service tax input credit	-	64.82
Foreign exchange loss	2.86	2.57
Training expenses	1,998.64	717.79
Loss on disposal of property, plant and equipment (net)	1.77	1.48
Miscellaneous expenses	883.08	830.84
	8,409.59	6,292.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 30: Earnings per share

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

	Year ended 31 March 2018	Year ended 31 March 2017
Profit attributable to equity shareholders (Rs. in lakhs)	7,345.59	5,757.04
Nominal value of each equity share (Rs.)	10.00	10.00
Weighted average number of equity shares outstanding during the year	1,70,96,769	1,70,96,769
EPS - basic and diluted (Rs.)	42.96	33.67

Note 31: Employee benefit obligation

(a) Provident fund

Provident Fund for eligible employees of TeamLease Services Limited is managed through TeamLease Employees Provident Fund Trust ("Trust") and for other group companies is managed through recognised Employees Provident Fund Organisation ("EPFO"), in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Accumulated surplus as per TeamLease Services Limited Employees Provident Fund Trust*	4,908.43	4,675.35
Provident fund obligations *	(180.06)	(112.92)
Principal assumptions are as follows:		
Discount rate (per annum)	7.50%	6.66%
Average historic yield on the investment portfolio	8.82%	9.17%
Appropriate term (in years)	5	5
Remaining term to maturity of provident fund portfolio (in years)	5.81	5.79
Discount rate for the remaining term to maturity of the investment portfolio (per annum)	-	-
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

* No Liability has been provided as the balances in the Reserves and Surplus as aforesaid is more than the Provident Fund Obligation.

Disclosures included are limited to the extent of disclosures provided by the actuary.

The expense recognised during the year towards provident fund is Rs.16,596.42 lakhs (31 March 2017 Rs.14,638.16 lakhs).

(b) Gratuity (Associate)

The Group has recognised gratuity liability and reimbursement right in respect of associate employees in accordance with Ind AS 19.

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)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of unfunded obligation	5,848.14	4,508.64	3,303.04
Fair value of plan assets	-	-	-
Net liability	5,848.14	4,508.64	3,303.04
Current	2,014.98	1,209.87	773.30
Non-current	3,833.16	3,298.77	2,529.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

Net benefit cost (refer note 2 below)

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	3,407.39	752.76
Past service cost	4.47	-
Net actuarial (gain)/loss recognised in the year	(1,235.41)	912.99
Interest cost on defined benefit obligation	259.79	217.86
Net benefit expense	2,436.24	1,883.61

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

₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Defined benefit obligation at beginning of the year	4,508.64	3,303.04
Current service cost	3,407.39	752.76
Past service cost	4.47	-
Interest cost on defined benefit obligation	259.79	217.86
Benefits paid	(1,096.74)	(678.01)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(26.53)	-
Actuarial (gain) / loss arising from changes in financial assumptions	(130.32)	(0.70)
Actuarial (gain) / loss arising from changes in experience adjustments	(1,078.56)	913.69
Defined benefit obligation at end of the year	5,848.14	4,508.64

The principal assumptions used in determining gratuity obligations are shown below:

	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	6.81%	6.56%
Salary escalation rate	6.00%	9.00%
Attrition rate	45.00%	43.00%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

Note:

- 1) The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.
- 2) The employee benefits expense towards gratuity and related reimbursement right for associate employees for year ended 31 March 2018 Rs. 2,436.24 lakhs (31 March 2017: Rs. 1,883.61 lakhs) have been netted off in the Statement of Profit and Loss.

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:

₹ in Lakhs

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	5,730.39	5,971.37	4,402.72	4,620.31
Salary escalation rate	5,943.16	5,755.63	4,595.57	4,424.56
Attrition rate	5,793.81	5,903.89	4,447.92	4,571.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

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

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	2,014.98	1,209.88
Year 2	1,407.21	1,011.76
Year 3	1,065.35	956.56
Year 4	774.90	775.10
Year 5	548.53	588.21
Next 5 years	704.61	913.95

The Company expects to contribute Rs 3,407.39 lakhs (31 March 2017: Rs 3,725.53 lakhs) in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2017: 2 years).

(c) Gratuity (Core employees)

The Group 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.

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)

	₹ in Lakhs		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of funded obligation	433.37	341.40	235.11
Defined benefit obligation based on actual liability	0.47	0.41	-
Fair value of plan assets	2.77	2.67	-
Net liability	431.07	339.14	235.11
Current	111.36	96.02	75.98
Non-current	319.71	243.12	159.13

Net benefit cost recognised in statement of profit and loss

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	105.15	86.57
Current service cost based on actual liability	0.06	0.41
Past service cost	16.46	-
Interest cost on defined benefit obligation	22.17	17.31
Net benefit expense	143.84	104.29

Remeasurement loss/(gains) in other comprehensive income

	₹ in Lakhs	
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Due to change in demographic assumptions	22.16	-
Due to change in financial assumptions	(14.31)	3.05
Due to change in experience adjustments	(43.17)	(71.68)
Return/ earning on plan assets (excluding interest income)	0.08	(1.01)
Actuarial loss recognised in OCI	(35.26)	(69.64)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

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

Particulars	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Defined benefit obligation at beginning of the year	341.40	235.11
Added on acquisitions	37.05	101.50
Current service cost	105.15	86.57
Past service cost	16.46	-
Interest cost on defined benefit obligation	22.17	17.31
Benefits paid	(53.54)	(30.46)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	22.16	-
Actuarial (gain) / loss arising from changes in financial assumptions	(14.31)	3.05
Actuarial (gain) / loss arising from changes in experience adjustments	(43.17)	(71.68)
Defined benefit obligation at end of the year	433.37	341.40

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Fair value of plan assets at beginning of the year	2.67	-
Addition through acquisition of subsidiaries	-	2.52
Expected return on plan asset	0.17	0.28
Employer contributions	17.00	29.32
Benefits payment	(16.99)	(30.46)
Remeasurement - actuarial gain/ (loss)	(0.08)	1.01
Fair value of plan assets at end of the year	2.77	2.67

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

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	6.81% - 7.75%	6.25%-7.50%
Salary escalation rate	5% - 8%	6% - 8%
Attrition rate	1% - 51%	10% -49%
Retirement age	58 - 60	58
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult Table	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 31: Employee benefit obligation (contd..)

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:

Particulars	₹ in Lakhs			
	Year ended 31 March 2018		Year ended 31 March 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	415.28	454.41	284.00	300.29
Salary escalation rate	452.28	417.04	298.31	285.73
Attrition rate	431.56	437.74	290.85	292.83

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

	₹ in Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	113.66	90.96
Year 2	83.12	66.33
Year 3	67.82	48.47
Year 4	55.26	36.90
Year 5	44.10	26.39
Next 5 years	85.02	55.50

The Company expects to contribute Rs.242.64 lakhs (31 March 2017: Rs 171.43 lakhs) in 2018-19.

The weighted average duration of defined benefit obligation at the end of the reporting period is around 2 years (31 March 2017: 2 years).

Note 32: Share based payments

Employee Share Option Scheme (ESOP)

TeamLease Services Limited has granted stock options to employees of the Company. The purpose of the 'TeamLease Services Limited ESOP Plan' 2015 is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and to promote the success of the business. The options issued under the plan has a term of 4 years as provided in the stock grant agreement and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share. The exercise price of option is Rs. 10.

The stock options are restricted for sale, pledge or transfer. The Company has carried out an independent valuation of its ESOP grants for accounting and reporting purposes as on the grant dates.

A. Details of TeamLease Employee Stock Option Plan issued by the Trust

Name of the Scheme - TeamLease Employee Stock Option Plan - 2015	Tranche - I	Tranche - II*
Date of grant	1 October 2015	1 October 2016
Number Granted	97,170 (post issue of bonus shares)	29,470
Exercised Price (Rs.)	₹10	₹10
Vesting period	4 years	2-4 years
Vesting conditions	25% on expiry of 12 months from grant date	44% on expiry of 12 months from grant date
	25% on expiry of 24 months from grant date	48% on expiry of 12 months from grant date
	25% on expiry of 36 months from grant date	5% on expiry of 12 months from grant date
	25% on expiry of 48 months from grant date	3% on expiry of 12 months from grant date

* During the financial year ended 31 March 2017, Tranche II scheme was approved by Board of Directors and Nomination and Remuneration Committee and approved by the shareholders in the Annual General Meeting held on 7 July 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 32: Share based payments (contd..)

B. Movement in the options granted to employees

Particulars	Number of Options		Weighted average Exercise price (₹)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Outstanding at beginning of the year	93,372	97,170	10.00	10.00
Granted	-	29,470	10.00	10.00
Expired	10,784	1,801	10.00	10.00
Exercised	36,221	31,467	10.00	10.00
Outstanding at end of the year	46,367	93,372	10.00	10.00
Exercisable at end of the year	29,930	63,902	10.00	10.00

Fair value of options granted

The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Variables	31 March 2018	31 March 2017	1 April 2016
Grant date share option price (Rs.)		1082.86 - 1083.44	252.79
Exercise price (Rs.)	No Options	10.00	10.00
Expected life of the option (gross)	have been	2-4 years	1-4 years
Risk free interest rates	granted during	7.50%	7%
Expected volatility	the year	24.59%	16.26%
Expected dividend yield (%)		-	-

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 0.82 years [31 March 2017: 1.82 years].

The weighted average exercise price of the outstanding option is Rs. 10 [31 March 2017: Rs. 10].

The weighted average fair value of options granted during the year was Rs. Nil [31 March 2017: Rs. 1,083].

The impact of the fair value of the options granted as an expense is Rs.163.27 lakhs [31 March 2017: Rs. 294.06 lakhs] for the Group.

Note 33: Fair value measurements

Financial assets measured at fair value through profit/ loss:

Particulars	₹ in Lakhs		
	31 March 2018	31 March 2017	1 April 2016
Financial Assets			
Investment in mutual funds (Quoted price in active markets Level 1)	3,231.52	1,031.17	-

There are no transfers between levels during the year.

Management has assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, investments, loans, trade receivables, trade payables, other financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and these are measured at amortised cost.

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 willing parties, other than in a forced or liquidation sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 34: Financial risk management objectives and policies

The Group has exposure to the following risks arising from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal auditors. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(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 Group 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 Group's financial instruments will fluctuate because of changes in market interest rates. The Group 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

Trade receivables

With respect to trade receivables/unbilled revenue, the Group has framed the policies to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition.

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.

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

Particulars	₹ in Lakhs	
	31 March 2018	31 March 2017
Opening balance	2,136.94	1,264.85
Added on acquisitions	25.00	68.34
Amount provided/ (reversed) during the year	349.01	803.75
Closing provision	2,510.95	2,136.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 34: Financial risk management objectives and policies (contd..)

Financial instruments

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

Counterparty credit limits are reviewed by the Group 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 Group 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 Group's reputation. The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

All financial liabilities are due within 1 year from the balance sheet date.

Note 35: Capital management

The key objective of the Group'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 Group focused on keeping strong capital base to ensure independence, to ensure sustained growth in business.

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

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

Note 36: Segment information

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 Group's performance and allocate resources based on analysis of various performance indicators of the Group. Accordingly, segment information has been presented for the nature of services rendered by the Group.

Segment Policies:

- a) The reportable business segments are in line with the segment wise information which is being presented to the CODM and for which discrete financial information is available.
- b) The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably and accordingly such items are separately disclosed as 'unallocated'.

(i) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

(ii) Segment results:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the CODM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 36: Segment information (contd..)

The Operative segment comprises of the following:

a) General 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.

c) Specialized Staffing Services - Comprises of IT Staffing and Telecom Staffing Operations.

₹ in Lakhs

Particulars	General staffing and allied services		Specialised staffing services		Other HR services		Unallocated		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue:										
External revenue	3,37,490.51	2,94,530.25	18,293.44	5,078.58	6,627.59	4,520.58	-	-	3,62,411.54	3,04,129.41
Total Segment revenue	3,37,490.51	2,94,530.25	18,293.44	5,078.58	6,627.59	4,520.58	-	-	3,62,411.54	3,04,129.41
Segment Results										
Finance Cost	5,817.60	3,727.11	1,751.33	761.18	353.40	314.62	(422.29)	457.39	7,500.04	5,260.30
Profit Before Tax	5,817.60	3,727.11	1,751.33	761.18	353.40	314.62	(668.96)	347.68	7,253.37	5,150.59
Tax expenses	-	-	-	-	-	-	(92.22)	(606.45)	(92.22)	(606.45)
Profit After Tax	5,817.60	3,727.11	1,751.33	761.18	353.40	314.62	(576.74)	954.13	7,345.59	5,757.04
Other information										
Capital expenditure	-	-	-	-	-	-	234.96	196.90	234.96	196.90
Depreciation and amortization	333.35	354.36	122.75	29.61	38.99	44.57	420.75	181.93	915.84	610.47
Non Cash Expenditure other than depreciation	-	-	-	-	-	-	784.30	1,228.02	784.30	1,228.02

₹ in Lakhs

Other Information:	31 March 2018		31 March 2017		1 April 2016	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
General Staffing and allied Services	28,787.38	27,244.76	25,590.82	26,784.25	20,360.26	23,202.63
Specialised staffing services	22,592.09	4,885.33	13,022.60	1,188.24	-	-
Other HR Services	7,306.29	5,113.29	2,291.79	788.04	1,212.87	572.50
Unallocated	29,920.06	7,195.72	26,861.78	2,371.66	35,764.18	3,008.09
Total	88,605.82	44,439.10	67,766.99	31,132.19	57,337.31	26,783.22

Reconciliation to amounts reflected in the financial statements

Reconciliation of assets

₹ in Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
Segment assets	58,685.76	40,905.21	21,573.13
Investments	5,929.32	1,031.17	-
Loans	5,033.38	4,180.00	2,793.75
Deferred tax assets (net)	3,537.57	1,829.05	1,087.51
Income tax assets (net)	7,385.72	4,373.29	3,853.14
Cash and cash equivalent	175.08	396.53	4,805.39
Bank balances other than cash and cash equivalent	5,816.42	13,332.10	20,938.50
Others	2,042.57	1,719.64	2,285.89
Total assets	88,605.82	67,766.99	57,337.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 36: Segment information (contd..)

Reconciliation of liabilities

₹ in Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
Segment liabilities	37,243.38	28,760.53	23,775.13
Net employee defined benefit liabilities	101.85	88.24	450.32
Other non-current liabilities	7.62	3.93	0.90
Trade payables	688.99	857.88	847.54
Other financial liabilities	666.04	495.33	272.80
Other current liabilities	5,710.23	793.05	1,415.53
Current tax liabilities (net)	-	112.23	-
Liabilities directly associated with the assets classified as held for sale	21.00	21.00	21.00
Total liabilities	44,439.10	31,132.19	26,783.22

Revenue from external customers

₹ in Lakhs

Geographical Segment	31 March 2018	31 March 2017
India	3,62,411.54	3,04,129.41
Outside India	-	-
Total	3,62,411.54	3,04,129.41

The revenue information above is based on the locations of the customers.

Non-current assets

₹ in Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
India	23,967.90	15,867.07	5,142.68
Outside India	-	-	-
Total	23,967.90	15,867.07	5,142.68

Note 37: Related party disclosure

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Associates	Cassius Technologies Private Limited ('CTPL') School Guru Eduserve Private Limited ('School Guru')
b) Key management personnel and their relatives	Mr. Manish Sabharwal - Executive chairman Mr. Ashok Reddy - Managing Director and Chief Executive Officer Mr. Ravi Vishwanath - Chief Financial Officer Mr. Mruthunjaya Murthy - Company Secretary Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath Mr. Gopal Jain (resigned w.e.f. 8 August, 2017) Mrs. Latika Pradhan - Independent Director Mr. Narayan Ramachandran - Independent Director Mr. Raghunathan V - Independent Director
c) Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') India Life Capital Private Limited ('ILCPL')

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 37: Related party disclosure (contd..)

(ii) Transactions with related parties

	₹ in Lakhs	
Transactions with related parties	31 March 2018	31 March 2017
Enterprises where key managerial personnel or their relatives exercise significant influence:		
Loans given to		
TLSU	861.33	1,263.25
Loans repaid by		
TLSU	-	89.69
Interest income from		
TLSU	176.71	161.63
Interest received		
TLSU	-	81.97
Other operating income and other income		
TLSU	1,899.27	988.80
ILCPL	3.60	38.64
Consultancy/services charges paid		
TLSU	248.14	66.17
ILCPL	30.70	38.03
HANSINI	1.20	1.80
Expenses incurred by the Company on behalf of others - Cross charged		
TLSU	4.90	-
ILCPL	41.37	0.61
Key management personnel and their relatives:		
Consultancy/services charges paid		
Asha Vishwanath	6.00	6.00
Managerial remuneration (Refer Note below)		
Key managerial personnel and their relatives		
Ashok Reddy	99.03	86.43
Manish Sabharwal	87.24	84.00
Ravi Vishwanath	127.19	138.29
Mruthunjaya Murthy	24.84	22.95
	338.30	331.67

Note:

1. As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the group as a whole, the amount pertaining to directors are not included.

2. The above includes Rs. 36.03 lakhs (31 March 2017: Rs. 55.45 lakhs) for share based compensation.

(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:

	₹ in Lakhs		
Transactions with related parties	31 March 2018	31 March 2017	1 April 2016
Enterprises where key managerial personnel or their relatives exercise significant influence:			
Loans and advances receivable			
TLSU	4,413.54	3,375.50	2,040.31
Interest receivable			
TLSU	-	-	81.97
Trade/other receivables			
TLSU	1,332.59	734.74	483.54
ILCPL	-	2.25	4.91
Guarantees given			
TLSU	-	200.00	200.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 37: Related party disclosure (contd..)

	₹ in Lakhs		
Transactions with related parties	31 March 2018	31 March 2017	1 April 2016
Trade payables			
ILCPL	-	1.79	-
Associates:			
Investments in equity shares			
CTPL	617.05	-	-
School Guru	730.75	-	-
Investments in preference shares			
School Guru	1,350.00	-	-

Note 38: Contingent liabilities

	₹ in Lakhs	
	31 March 2018	31 March 2017
(a) Service tax matters in dispute*	394.93	394.93
(b) Income tax matters in dispute	77.86	105.62
(c) Disputed bonus liability**	3,349.33	3,349.33
(d) Other disputed matters	39.20	39.20
(e) Guarantee***	-	200.00
(f) Bills discounted with banks	542.62	286.38
(g) Claims not acknowledged as debts (under dispute)	988.37	-

* In addition to aforesaid service tax matters in dispute, there is a case pending with CESTAT for services tax demands pertaining to the period April 2006 to December 2008 aggregating to Rs. 887.81 lakhs (including penalty etc.) against which the Company has already paid Rs. 442.46 lakhs and balance is partly provided for as a matter of abundant caution.

** Bonus liability pursuant to the amendment of Payment of Bonus Act, 1965, for financial year 2014-15 is considered as contingent liability, based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country. As per the contractual agreement with the customers, Rs 3,332.97 lakhs in respect of associate employees is recoverable from the customers in case such liability arises.

*** During the prior year, the Company provided a corporate guarantee on behalf of TLSU to Tata Capital Financial Services Limited ("TCFSL") whereby the Company had guaranteed all the obligations of TLSU under the Operating Lease Agreement between TCFSL and TLSU dated 24 July 2014 executed in relation to the lease of computer equipment by TCFSL to TLSU of value not exceeding Rs. 200.00 lakhs.

**** represent claim preferred by the erstwhile promoters of ASAP Info Systems Private Limited ("ASAP"), towards final consideration payable upon fulfilment of certain agreed criteria as per the share purchase agreement. No provision for the same has been made in the financial statements, since the agreed criteria has not met by ASAP. The matter is under arbitration and the Company is confident of a favourable outcome.

Note 39: Commitments

(a) Capital commitments

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

	₹ in Lakhs		
	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment	89.82	-	7.39

(b) Other commitments

Bank guarantees to customers as at 31 March 2018 Rs. 2,082.43 lakhs (31 March 2017 : Rs. 838.07 lakhs 1 April 2016 : Rs. 759.97 lakhs)

(c) Non-cancellable operating leases

The Group 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 year and obligation on the long term non-cancellable operating lease as per the lease agreement are as follows:

	₹ in Lakhs	
	31 March 2018	31 March 2017
Lease rentals under cancellable and non-cancellable leases	1,796.87	1,278.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 39: Commitments (contd..)

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

	₹ in Lakhs	
	31 March 2018	31 March 2017
Within one year	361.03	333.79
Later than one year but not later than five years	358.24	613.25
Later than five years	-	-

(d) Operating lease commitments

The group has given one of its office in Kolkata on operating lease. The lease agreement includes an upward revision to lease rentals on annual basis based on prevalent market conditions. The current lease agreement expired on 15 May 2018.

Note 40: 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 Section 80JJAA. The Group has started availing such deduction from financial year 2016-17 onwards.

Note 41: Corporate Social Responsibility expenditure

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the group is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

Gross amount required to be spent by the Group towards corporate social responsibility expense (CSR) during the year is Rs.80.15 lakhs (31 March 2017 Rs.61.12 lakhs). The Group has not spent any amount towards CSR expenditure, during the year.

Note 42: Amount utilised for share issue expenses

Amount utilised for share issue expenses of Rs. 1,219.70 lakhs includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

Utilisation of funds raised through fresh issue of equity shares pursuant to Initial Public Offering (IPO) is as follows:

	₹ in Lakhs	
Particulars	31 March 2018	31 March 2017
Issue proceeds	14,999.99	14,999.99
Less: Issue expenses till 31 March 2016	1,203.77	1,203.77
Less: Additional issue expenses in 31 March 2017	15.93	15.93
Net proceeds of IPO	13,780.29	13,780.29
Amount utilised as per the objects of the issue as per prospectus	13,780.29	8,864.71
Funds to be utilised (remain invested in current account and fixed deposits with banks)	-	4,915.58
Amount invested in the Fixed deposit accounts	-	4,900.00
Balance lying in current accounts	-	15.58
Total	-	4,915.58

The Board of Directors in their meeting held on 8 August 2017 approved to seek the shareholder's approval through Postal Ballot for the variation/deviation in the utilisation of the un-utilised portion of the IPO proceeds. The resolution was passed by the shareholders with requisite majority on 18 September 2017.

Note 43: Disclosure relating to Specified Bank Notes (SBNs) held and transacted during the period 8 November 2016 to 30 December 2016

	Amount in ₹		
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	2,14,000	82,414	2,96,414
(+) Permitted receipts	-	17,19,438	17,19,438
(-) Permitted payments	-	15,93,187	15,93,187
(-) Amount deposited in Banks/Exchanged	2,14,000	-	2,14,000
Closing cash in hand as on 30 December 2016	-	2,08,665	2,08,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 44: Assets held for sale

During the year ended 31 March 2015, the below mentioned asset had been classified as held for sale, considering intent of the Group to dispose off the same. This classification continues as the management plans to sell the asset and discussions are at advance stage.

	₹ in Lakhs		
Particulars	31 March 2018	31 March 2017	1 April 2016
Building	221.73	221.73	221.73
Total Assets classified as held for sale	221.73	221.73	221.73
Security deposit of building held for sale	21.00	21.00	21.00
Liabilities directly associated with assets classified as held for sale	21.00	21.00	21.00
Net assets classified as held for sale	200.73	200.73	200.73

Note 45: Business Acquisitions

- a) During the year ended 31 March 2017, the Group acquired 100% of the voting shares of ASAP, Nichepro and Keystone. ASAP is a leading provider of HR services and Nichepro and Keystone is leading provider of technology staffing solutions and consulting and other allied services. These acquisition will strengthen TeamLease's outsourcing solution services.
- b) On 1 November 2017, the Group acquired 100% of the voting shares of Evolve. Evolve is engaged in the business of staffing including outsourcing manpower, managed services and placement services. The acquisition will strengthen TeamLease's specialized solution services.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	₹ in Lakhs			
Particulars	ASAP	Nichepro	Keystone	Evolve
Property, plant and equipment, including intangibles	144.04	1.28	-	342.56
Financial assets	102.39	646.15	102.42	723.70
Trade receivables	963.35	393.15	142.94	1,375.42
Cash and cash equivalents	406.88	159.25	70.35	26.69
Other current assets	972.85	248.87	5.35	2,082.90
Total tangible assets	2,589.51	1,448.70	321.06	4,551.27
Customer relationships	742.97	358.64	254.29	201.93
Brand	40.15	15.90	5.16	93.95
Non-compete	192.73	80.62	35.73	228.62
Total intangible assets	975.85	455.16	295.18	524.50
Total fair value of assets acquired	3,565.36	1,903.86	616.24	5,075.77
Liabilities assumed				
Trade payables	(923.10)	(259.54)	(0.64)	(22.47)
Borrowings	-	(1,285.23)	-	(1,209.05)
Other current liabilities	-	(153.53)	(150.51)	(327.40)
Other financial liabilities	(883.13)	-	-	-
Deferred tax liability	(313.44)	(155.13)	(100.17)	(100.80)
Net employee defined benefit liabilities	(472.30)	(58.13)	(4.09)	(1,727.39)
Total Liabilities assumed	(2,591.97)	(1,911.56)	(255.41)	(3,387.11)
Total Net assets, other than Goodwill	973.39	(7.70)	360.83	1,688.66
Purchase consideration				
Consideration paid by TDPL	5,695.00	2,950.00	820.00	4,590.15
Goodwill arising on acquisition	4,721.61	2,957.70	459.17	2,901.49

Note:

The goodwill comprises the value of expected synergies arising from the acquisition which is not separately recognised. Transaction costs of Rs. 18.14 lakhs have been expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 46: Group Information

SL No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities*			Share in profit and loss*			Share in other comprehensive income*			Share in total comprehensive income*		
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
		As % of consolidated net assets	Amount in ₹ lakhs	As % of consolidated net assets	Amount in ₹ lakhs	As % of consolidated profit and loss	Amount in ₹ lakhs	As % of consolidated other comprehensive income	Amount in ₹ lakhs	As % of total comprehensive income	Amount in ₹ lakhs	As % of total comprehensive income	Amount in ₹ lakhs
Parent													
1	TeamLease Services Limited	91.40%	43,266.11	92.99%	35,837.27	111.27%	6,828.86	75.24%	18.90	111.12%	6,847.76	80.75%	4,962.37
Subsidiaries													
2	TeamLease Digital Private Limited	4.45%	2,104.39	6.53%	2,515.72	-17.76%	(1,090.06)	64.62%	16.23	-17.43%	(1,073.83)	13.26%	814.71
3	IIJT Education Private Limited	0.43%	203.15	0.43%	168.13	0.57%	35.02	0.00%	-	0.57%	35.02	0.43%	26.12
4	TeamLease Education Foundation	-0.47%	(222.06)	-0.48%	(183.84)	-0.62%	(38.22)	0.00%	0.04	-0.62%	(38.22)	0.00%	0.04
5	Keystone Business Solutions Private Limited	0.75%	352.82	0.53%	203.38	2.35%	144.11	21.26%	5.34	2.43%	149.45	0.58%	35.58
6	Evolve Technologies & Services Private Limited	3.39%	1,605.40	0.00%	-	4.63%	283.86	-63.78%	(16.02)	4.35%	267.84	0.00%	-
7	ASAP Info Systems Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8	Nichepro Technologies Private Limited	0.00%	-	0.00%	-	2.85%	173.84	0.00%	-	-2.90%	(1.35)	2.81%	172.49
9	India Tourism and Hospitality Skills Education Private Limited	0.00%	-	0.00%	-	2.18%	133.01	0.00%	-	3.14%	1.46	2.18%	134.47
Associates													
10	Cassius Technologies Private Limited	0.20%	96.29	0.00%	-	0.05%	3.57	-4.59%	(1.15)	0.04%	2.42	0.00%	-
11	School Guru Eduserve Private Limited	-0.15%	(70.93)	0.00%	-	-0.49%	(29.97)	7.25%	1.82	-0.46%	(28.15)	0.00%	-
Sub Total		100.00%	47,335.17	100.00%	38,540.66	100.00%	6,137.17	100.00%	25.12	100.00%	6,162.29	100.00%	6,145.19
Consolidation adjustments/eliminations**			(3,168.45)		(1,905.86)		1,208.42		(2.06)		1,206.36		(342.61)
Total			44,166.72		36,634.80		7,345.59		23.06		7,368.65		5,802.58

*The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived at after consolidation adjustments/eliminations.

** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 47: First time adoption

A. First time adoption

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

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 April 2016, i.e., the Group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the statement of financial position as at 1 April 2016 and the financial statements as at and for the year ended 31 March 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 Group 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. The Group 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 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 Group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP net carrying value.

- c) 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 Group 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.

- d) Share based payment

Ind AS 102 Share Based Payment has not been applied to equity settled share-based payment transactions that vested before date of transition to Ind AS.

- e) 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.

- f) 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.

- g) De-recognition of financial assets and liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 47: First time adoption (contd..)

B. Reconciliations between previous GAAP and Ind AS

The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Equity reconciliations

	Note	31 March 2017	1 April 2016
₹ in Lakhs			
Total Equity (Shareholder's fund) as per previous GAAP		38,112.96	31,157.78
Ind AS adjustments			
Deferred tax (net)	A	369.35	296.93
Stock option outstanding reserve created	B	358.03	63.97
Stock option compensation expense	B	(358.03)	(63.97)
Impact of provision for expected credit loss	D	(1,466.92)	(1,046.96)
Net impact of entities considered for consolidation	I	(184.84)	(184.88)
Amortization of intangible assets	G	(181.93)	-
Deferred tax on IPO expenses	A	-	336.71
Others - fair valuation of security deposit etc.	F & H	(13.82)	(5.49)
Total adjustments		(1,478.16)	(603.69)
Total equity as per Ind AS		36,634.80	30,554.09

(ii) Reconciliation of total comprehensive income

	Note	31 March 2017
₹ in Lakhs		
Profit after tax as per previous GAAP		6,634.39
Ind AS adjustments		
Deferred tax (net)	A	96.54
Stock option compensation expense	B	(294.06)
Actuarial (loss)/ gain	C	(69.64)
Impact of provision for expected credit loss	D	(419.96)
Amortization of intangibles	G	(181.93)
Net impact of entities considered for consolidation	I	0.04
Others - fair valuation of security deposit etc.	F & H	(8.34)
Total adjustments		(877.35)
Profit after tax as per Ind AS		5,757.04
Other comprehensive income (net of tax)	E	45.54
Total comprehensive income as per Ind AS		5,802.58

A: 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.

B: Stock option compensation expense

Under the previous GAAP, the share based compensation cost was not recognised. Under Ind AS, the share based compensation cost is determined based on the Group's estimate of equity instruments that will eventually vest and amortized over the vesting period on an accelerated basis. However, the same does not result in difference in equity.

C: Actuarial (loss)/ gain

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability/asset are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were accounted for in profit or loss for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

Note 47: First time adoption (contd..)

D: Impact of provision for 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, Group has not presented other comprehensive income separately.

F: 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. Under Ind AS, effect of discounting/ unwinding of refundable security deposits is recognised.

G: Amortisation of intangibles

As per Ind AS 103 companies that acquire any business after transition to Ind AS need to recognise acquired intangible assets and such intangible assets will be amortised over the useful life.

H: Business combination expenses

Under IGAAP Group has included the cost incurred for investment in subsidiary as part of investment and Under Ind AS Acquisition related costs represent services that have been rendered to and consumed by the acquirer and they do not represent an asset of the acquirer. Hence, they are accounted for as an expense when the acquirer consumes the related service.

I: Consolidation

- (a) Under previous GAAP, one entity controls another entity when it has the ownership of more than one-half of the voting power of the other entity or control of the composition of the board of directors so as to obtain economic benefits from its activities. The Group holds 100% of the voting power in TeamLease Education Foundation. However, it had not been considered for consolidation in IGAAP. Based on the control assessment carried out by the group under Ind AS 110, TeamLease Education Foundation has been assessed as a subsidiary of the group. Accordingly, the assets, liabilities, incomes and expenses of TeamLease Education Foundation have been consolidated.
- (b) Under previous GAAP Employee benefit Trusts were not required to be consolidated considering that these trusts were constituted as irrecoverable trusts. Under Ind AS, Group has consolidated the employee benefit trusts as well.

J: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows except for bank overdrafts, which has been netted off with the cash and cash equivalents.

K: Previous year

The figures of previous year were audited by a firm of chartered accountants other than S.R. Batliboi & Associates LLP. Previous years figures have been reclassified wherever necessary to conform to the current year classification.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors

TeamLease Services Limited

Per Navin Agrawal

Partner
Membership Number: 56102

Ashok Reddy

Managing Director
DIN: 00151814

Latika Pradhan

Director
DIN: 07118801

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary
CSN: 11766

Place: Bangalore

Date: 16 May 2018

Place: Bangalore

Date: 16 May 2018

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	Details				
1	Name of the subsidiary	IJIT Education Private Limited	TeamLease Education Foundation	TeamLease Digital Private Limited (formerly TeamLease Staffing Services Private Limited)	Keystone Business Solutions Private Limited	Evolve Technologies and Services Private Limited
2	Date of Acquisition/Incorporation	04.04.2010	27.06.2011	04.07.2016	01.02.2017	01.11.2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR
5	Share capital	800.00	1.00	473.50	4.26	351.83
6	Reserves & surplus	-596.85	-223.06	1,185.48	348.56	1,253.57
7	Total assets	290.51	4,545.48	1,630.89	508.15	4,521.59
8	Total Liabilities (excluding share capital and reserves and surplus)	87.36	4,767.54	16,768.66	155.33	2,916.20
9	Investments	NIL	NIL	5,410.15	NIL	NIL
10	Turnover	53.95	355.36	9,912.27	1,117.52	7,333.66
11	Profit/(loss) before taxation	35.02	38.22	-887.87	183.39	290.01
12	Provision for taxation	NIL	NIL	NIL	39.28	6.15
13	Profit/(Loss) after taxation	35.02	38.22	-1,090.06	144.11	283.86
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – None.

2. Names of subsidiaries which have been liquidated or sold during the year: Nil, however ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited ("Nichepro") got merged with TeamLease Digital Private Limited (formerly TeamLease Staffing Services Private Limited) ("TDPL") vide approval of NCLT Chennai dated 30.11.2017 and NCLT Mumbai dated 16.11.2017. Subsequent to merger, name of TeamLease Staffing Services Private Limited was changed to TeamLease Digital Private Limited w.e.f. 08.03.2018.

Part “B”: Associates and Joint Ventures

Sl. No.	Name of associates	Cassius Technologies Private Limited	School Guru Eduserve Private Limited
1	Latest audited Balance Sheet Date	31.03.2018	31.03.2018
2	Date on which the associate was associated or acquired	01.06.2017	01.12.2017
3	Shares of associate or joint venture held by the company as on the year end		
	Number	3,333	1,84,068
	Amount of Investment in associate	614.64	758.90
	Extent of Holding%	30%	22.19%
4	Description of how there is significant influence	More than 20% equity shareholding	More than 20% equity shareholding
5	Reason why the associate or joint venture is not consolidated	No Control	No Control
6	Net worth attributable to shareholding as per latest audited Balance Sheet	96.29	-70.93
7	Profit/Loss for the year/period		
	I. Considered in Consolidation	2.42	-28.15
	II. Not Considered in Consolidation	5.64	-98.72

1. Names of associates or joint ventures which are yet to commence operations – **NA.**

2. Names of associates or joint ventures which have been liquidated or sold during the year – **NA.**

For and on behalf of the Board of Directors
TeamLease Services Limited

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Mruthunjaya Murthy
Company Secretary
CSN: 11766

Place: Bangalore
Date: 16 May 2018



TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395

6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India,

Tel: 91 80 33002345 Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamleasegroup.com

18th Annual General Meeting – Wednesday, December 19, 2018

November 16, 2018

Dear Shareholder(s),

You are cordially invited to attend the 18th Annual General Meeting (AGM) of the shareholders of TeamLease Services Limited ("the Company") to be held on Wednesday, December 19, 2018 at 03.00 PM IST at Hotel Royal Orchid 1, Golf avenue, adjoining KGA Golf Course Airport Road, Bangalore 560 008, Karnataka, India.

The Notice of the AGM, containing the business to be transacted is enclosed herewith. In terms of Section 108 of the Companies Act, 2013, read with the related Rules and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its shareholders the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed herewith.

Very truly yours,

Ashok Kumar Nedurumalli

Managing Director

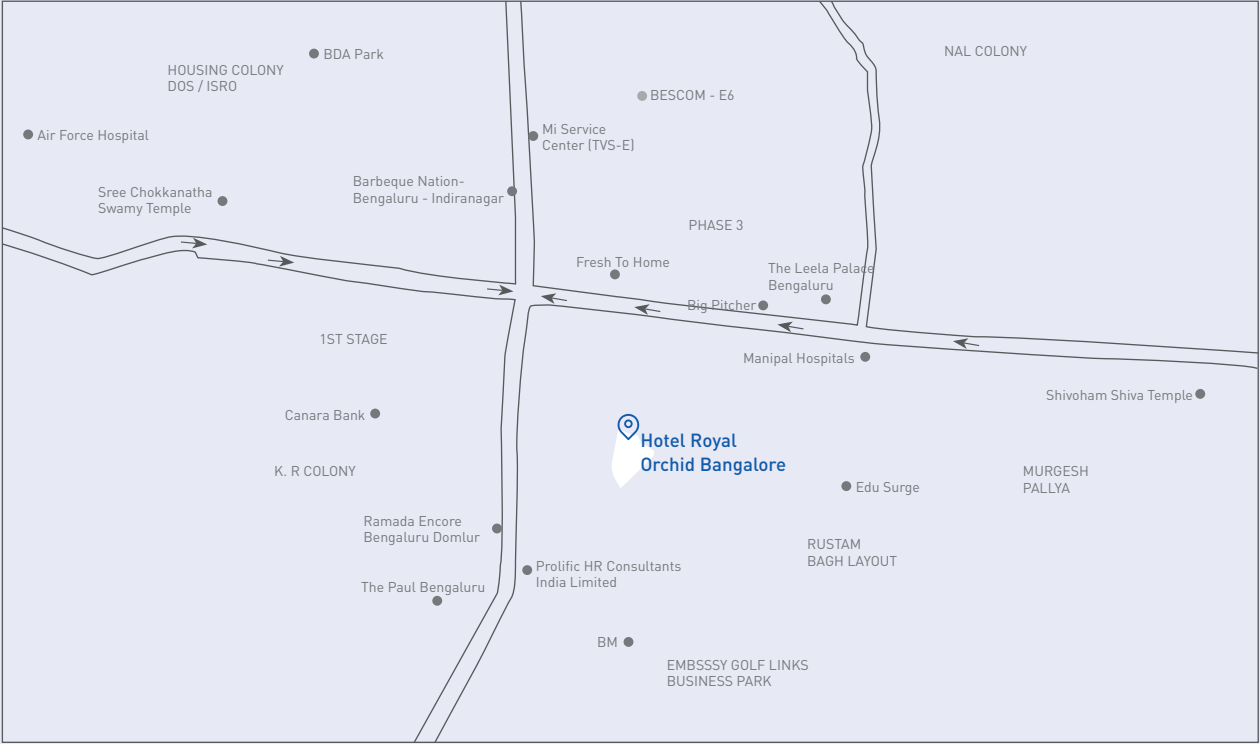
(DIN: 00151814)

Enclosures:

1. Route Map to the venue of AGM
2. Notice to the 18th Annual General Meeting
3. Instructions for e-voting
4. Proxy Form
5. Attendance Slip



Route Map to the venue of the AGM



NOTICE TO THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting (AGM) of the shareholders of TeamLease Services Limited (CIN L74140KA2000PLC118395) ("Company") will be held on Wednesday, December 19, 2018 at 03.00 PM IST at Hotel Royal Orchid 1, Golf Avenue, adjoining KGA Golf Course Airport Road, Bangalore 560 008, Karnataka, India, to transact the following business:

ORDINARY BUSINESS

ITEM NO. 1:

ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ("the Board") and Auditors thereon.

ITEM NO. 2:

TO APPOINT A DIRECTOR IN PLACE OF MR. ASHOK KUMAR NEDURUMALLI A.K.A ASHOK REDDY (DIN: 00151814) WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT

Statutory Requirement:

Under the terms of Clause 58 of the Articles of Association of the Company and pursuant to Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, executive directors and non-executive directors other than independent directors are liable to retire by rotation and can seek reappointment.

Background:

Mr. Ashok Reddy was appointed as Managing Director of the Company effective September 03, 2015 for a period of five years which was approved by the shareholders at the Annual General Meeting held on September 30, 2015. To the extent that Mr. Ashok Reddy is required to retire by rotation, he would need to be re-appointed as Managing Director of the Company.

Proposal:

Therefore, shareholders are requested to consider and, if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, approval of the shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Ashok Reddy as Managing Director to the extent that he is required to retire by rotation."

SPECIAL BUSINESS

ITEM NO. 3

TO INCREASE THE EXISTING FPI (FOREIGN PORTFOLIO INVESTORS) LIMIT FROM 75% TO 100% OF PAID-UP CAPITAL OF THE COMPANY AND PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to applicable provisions of Foreign Exchange Management Act, 1999, as amended ("FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended up to date, the current Consolidated Foreign Direct Investment Policy Circular of 2017, as amended, the Companies Act, 2013 as amended, Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be and all other applicable Acts, Rules, Regulations, Provisions and Guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Foreign Investment Promotion Board, the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions, the consent of the shareholders of the Company be and is hereby accorded to increase, the limit of investment by Foreign Portfolio Investors (as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended) and as registered with the Securities and Exchange Board of India in the equity shares of the Company under the Portfolio Investment Scheme under FEMA, from existing 75% to 100% of the paid-up equity share capital of the Company, under applicable Law."

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,

By Order of the Board of Directors

Date: November 16, 2018
Place: Bangalore

Ashok Reddy
Managing Director
(DIN:00151814)

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the AGM, is annexed hereto.
2. A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a shareholder of the Company. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A shareholder holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form for the convenience of the shareholders is annexed to the Notice.
3. Corporate shareholders intending to send their authorised representative(s) to attend the AGM are requested to send a certified true copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the AGM.
4. A route map showing the directions to reach the venue of the 18th AGM is annexed hereto.
5. Shareholders/proxies should bring attendance slips along with their copies of Annual Report to attend the AGM. Additional copies of the Annual Report shall not be supplied at the AGM. The attendance slip is annexed to the Notice hereto. Shareholders/proxies are kindly requested to complete the enclosed attendance slip, affix their signature at the place provided thereon and hand it over at the entrance of the AGM venue. The shareholder is mandated to furnish the printed attendance slip along with a valid identity proof such as the PAN card or passport, or AADHAR card or driving license to enter the AGM venue.
6. In case of joint holders attending the AGM, only such joint holder who is named first in the order of names will be entitled to vote.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the shareholders at the AGM.
8. Proxies shall be made available for inspection by a shareholder, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM provided not less than three days notice in writing of the intention to inspect is given to the Company.
9. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the AGM.
10. Notice is sent to all the shareholders (electronic or physical copy), whose names appears in the Register of Shareholders as on Friday, November 16, 2018. The Notice of the AGM is also posted on the website of the Company i.e., https://www.teamleasegroup.com/investor_events.
11. Shareholders holding shares in electronic form are advised to inform the particulars of their bank account, change of address and email ID to their respective depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of address and email ID to the Company or Registrar and share Transfer Agents, Karvy Computershare Private Limited, Unit TeamLease Services Limited, Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. (KARVY)
12. Shareholders holding shares in electronic (demat) form or in physical mode are requested to quote their DP ID & Client ID or Folio details respectively in all correspondences, to KARVY. Shareholders holding shares in physical form are requested to approach their DP for dematerialization of their shares as per SEBI Notification dated June 08, 2018 which mandates the transfer of securities to be in dematerialised form only, with effect from 5th December, 2018.
13. In line with the measures of "Green Initiatives", the Companies Act 2013 provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, shareholders who have not registered their mail addresses so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s). Shareholders holding shares in physical form are required to submit their PAN details to KARVY.
15. Shareholders holding shares in single name in physical mode are advised to make nomination in respect of their shareholding in the Company. Shareholders holding shares in electronic mode may contact their respective depository participants for availing the nomination facility.
16. Shareholders who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to KARVY, for consolidation into a single folio.

17. Non-Resident Indian shareholders are requested to inform KARVY / respective depository participants, immediately of: a) Change in their residential status on return to India for permanent settlement. b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
18. Copies of the Annual Report 2018 and the Notice of the 18th AGM along with the attendance slip and proxy form are being sent by electronic mode only to shareholders whose email ID are registered with the Company/ depository participant(s) for communication purposes unless such shareholders have requested for a hard copy of the same. For shareholders who have not registered their email ID, physical copies of the Annual Report 2018 are being sent by the permitted mode. Shareholders may note that 18th AGM Notice, Annual Report 2018, attendance slip, proxy form and e-voting instructions are also available on the Company's website i.e., https://www.teamleasegroup.com/investor_events
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its shareholders the facility to exercise their right to vote on resolutions proposed to be considered at the 18th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by KARVY.
20. The facility of e-Voting (Insta Poll) shall be made available at the venue of the AGM and the shareholders attending the AGM who have not cast their vote by remote e-Voting shall be able to exercise their right at the AGM through e-Voting (Insta Poll). The instructions and other information relating to e-Voting are attached to the Notice hereto.
21. The voting through electronic means is scheduled as below:

The Company has fixed Wednesday, December 12, 2018 as Cut-off date for determining the names of shareholders eligible for voting, through electronic means.

Commencement of remote e-voting Sunday, December 16, 2018 (9:00 A.M IST)

End of remote e-voting Tuesday, December 18, 2018 (5:00 P.M. IST)
22. The relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, of the person re-appointment under Item Nos. 2 of the Notice is shared in Annexure 1.

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,

By Order of the Board of Directors

Date: November 16, 2018
Place: Bangalore

Ashok Reddy
Managing Director
(DIN:00151814)

ANNEXURE 1

Additional information on Directors recommended for appointment/re-appointment, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



Mr. Ashok Reddy

(DIN: 00151814)

Mr. Ashok Reddy is the co-founder and currently the Managing Director and Chief Executive Officer of our Company. He oversees our operations and represents our company in forums with major clients.

Brief Profile of Mr. Ashok Reddy:

Mr. Ashok Reddy holds a bachelor's degree in commerce from the Shri Ram College of Commerce, Delhi University and a diploma in Management from Indian Institute of Management, Bangalore. Prior to his current position, he was a co-founder and Director of India Life Pension Services Limited, a payroll and pension services company that was acquired by Hewitt Associates in 2002. He has been awarded the "Skills Champion of India" award in the category of Skills Champion: Emerging Warrior for his outstanding contribution to the field of skills development.

Disclosure of relationship between directors inter se

Nil

Listed companies (other than TeamLease Services Limited) in which Mr. Ashok Reddy holds directorship and committee chairmanship/membership:

Directorship:

Nil

Chairman of Board Committees

Nil

Member of Board Committees

Nil

Shareholding in the Company

Nil

EXPLANATORY STATEMENT AS REQUIRED UNDER THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

TO INCREASE THE EXISTING FPI (FOREIGN PORTFOLIO INVESTORS) LIMIT FROM 75% TO 100% OF PAID-UP CAPITAL OF THE COMPANY AND PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

To enable investment by Foreign Institutional Investors [FIIs and Foreign Portfolio Investors (FPIs)] in the equity of the Company, it is proposed to permit enhancement of the FII/FPI shareholding in the Company from existing current limit of 75% to 100% of the paid-up equity share capital of the Company. In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the FIIs / SEBI approved sub-accounts of FIIs or Foreign Portfolio Investors (FPIs) can, in aggregate, hold upto 100% of

paid-up capital of the Company, by passing a Resolution by its Board of Directors, followed by passing of a Special Resolution to that effect by the shareholders.

Accordingly, consent of the shareholders is sought for passing a Special Resolution as set out at Item no. 3 of the Notice for increase in the limit of shareholding by registered Foreign Institutional Investors (FIIs/FPIs) from existing 75% to 100% of the paid up capital of the Company.

Post availing the shareholders approval, necessary approvals from Reserve Bank of India shall be sought.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

**TEAMLEASE SERVICES LIMITED**

CIN: L74140KA2000PLC118395

6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India,

Tel: 91 80 33002345 Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamleasegroup.com**18th Annual General Meeting – Wednesday, December 19, 2018**

Registered Folio no./DP ID no./Client ID no.:

Number of shares held:

Dear shareholder,

Subject: Instructions for e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide e-Voting facility to the shareholders to cast their votes electronically on all resolutions set forth in the Notice convening 18th Annual General Meeting to be held on Wednesday, December 19, 2018, at 03:00 PM IST. The Company has engaged the services of the Karvy Computershare Private Limited (Karvy) to provide the e-Voting facility.

The Notice is displayed on the Company's website, http://www.teamleasegroup.com/investor_events and on the website of Karvy, www.karvy.com.

The e-Voting facility is available at the link, <https://www.evoting.karvy.com>.

E-voting particulars

EVEN (e-voting event number)	User ID	Password/PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
December 16, 2018 at 9:00 AM IST	December 18, 2018 at 5:00 PM IST

The remote e-Voting facility shall not be allowed beyond the aforesaid date and time and the e-Voting module shall be disabled by Karvy upon expiry of expired period.

Please read the instructions printed below before exercising your vote:

These details and instructions form an integral part of the Notice for the 18th Annual General Meeting of the Company to be held on Wednesday, December 19, 2018.

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,

By Order of the Board of Directors

Date: November 16, 2018
Place: Bangalore

Ashok Reddy
Managing Director
(DIN:00151814)

Steps for e-voting

(A) In case a shareholder receives an email from Karvy [for shareholders whose email IDs are registered with the Company/Depository Participants(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials [i.e. User ID and password]. In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case [A- Z], one lower case [a-z], one numeric value [0-9] and a special character [@, #, \$, etc.,]. The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional shareholders [i.e. other than Individuals, HUF, NRI etc.] are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email scrutinizer@teamlease.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of shareholders receiving physical copy of Notice [for shareholders whose email IDs are not registered with the Company/Depository Participants (s)]:

- i. E-Voting Event Number - XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The shareholders, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the AGM. shareholders who have already cast their votes by remote e- voting are eligible to attend the AGM; however those shareholders are not entitled to cast their vote again at the AGM.

A shareholder can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a shareholder casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, shareholders may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact →Rajitha Cholleti / Premkumar Nair, (Unit: TeamLease Services Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- c. The remote e-voting period commences on December 16, 2018 (9:00 A.M. IST) and ends on December 18, 2018 (5:00 P.M. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 12, 2018, may cast their votes electronically. A person who is not a shareholder as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- d. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. December 12, 2018.
- e. In case a person has become a shareholder of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., December 12, 2018, he/she may obtain the User ID and Password in the manner as mentioned below :
- If the mobile number of the shareholder is registered against Folio No./ DP ID Client ID, the shareholder may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
- Example for NSDL: MYEPWD <SPACE> IN12345612345678
 Example for CDSL: MYEPWD <SPACE> 1402345612345678
 Example for Physical: MYEPWD <SPACE> XXXX1234567890
- If e-mail address or mobile number of the shareholder is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the shareholder may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Shareholder may call Karvy's toll free number 1800-3454-001.
 - Shareholder may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new shareholders whose mail ids are available.
- A person whose name is recorded in the Register of shareholders or in the Register of beneficial holders, maintained by the Depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM venue through Insta poll.
 - The Company has appointed Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, practicing Company Secretaries (FCS: 5682, COP:4157) Mumbai to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
 - The Chairman shall at the end of discussion at AGM on the resolutions on which voting is to be held, allow voting with the help of Scrutinizer, by use of insta poll facility for all those shareholders who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - The Scrutinizer shall immediately after conclusion of voting, first count the votes casted at the AGM, and thereafter unblock the votes casted through remote e-voting in the presence of at-least two witnesses not in employment of the Company and shall make not later than two days from the conclusion of the AGM, i.e., on or before December 21, 2018, a consolidated Scrutinizer's Report of the total votes cast in favour or against if any, to the Chairman or a person authorized by the Chairman in writing who shall countersign the same and declare the result of the voting forthwith.
 - The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company i.e., www.teamleasegroup.com and on the website of Karvy immediately after the declaration of result by the Chairman or a person authorized by the Chairman in writing. The result shall immediately be forwarded to BSE Limited and National Stock Exchange of India Limited where the shares of Company are listed.

Proxy form

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules 2014- Form No. MGT-11]



TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395

6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India,

Tel: 91 80 33002345 Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamleasegroup.com

18th Annual General Meeting – Wednesday, December 19, 2018

Name of the shareholder (s)	<input type="text"/>
Name of the joint shareholder (if any)	<input type="text"/>
Registered address	<input type="text"/>
E-mail	<input type="text"/>
Folio No. /Client ID	<input type="text"/>
DP ID	<input type="text"/>
	<input type="text"/>
Number of shares held	<input type="text"/>

I/We, being the shareholder (s) of _____ shares of the above named company, hereby appoint

Name: _____ E-mail: _____

Address: _____

Signature: _____

Or failing him/her

Name: _____ E-mail: _____

Address: _____

Signature: _____

Or failing him/her

Name: _____ E-mail: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th AGM of the Company, to be held on Wednesday, December 19, 2018 at 03.00 PM IST at Hotel Royal Orchid 1, Golf Avenue, adjoining KGA Golf Course Airport Road, Bangalore 560 008, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of Financial Statements (including the Consolidated Financial Statements)			
2	To appoint a director in place of Mr. Ashok Kumar Nedurumalli a.k.a Ashok Reddy (DIN: 00151814) who retires by rotation and being eligible, offers himself for re-appointment			
SPECIAL BUSINESS				
3	To increase the existing FPI (Foreign Portfolio Investors) limit from 75% to 100% of paid-up capital of the Company			

Signed this _____ day of _____ 2018,

Signature of the shareholder

Signature of the proxy holder(s)

Affix revenue
stamp of not
less than
Re 1

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before December 17, 2018, at 03.00 pm IST).
2. It is optional to indicate your preference. If you leave the 'for,' against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Note: Please fill up this Attendance Slip and hand it over at the entrance of the AGM venue. Shareholders are Informed that no duplicate copy of Attendance Slip shall be provided at the AGM venue.

Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Registered Office

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