

# Annual Report 2015-16



TeamLease<sup>TM</sup>  
Putting India to Work



## TEAMLEASE SERVICES LIMITED



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## BOARD COMMITTEES BANKERS AND AUDITORS

### AUDIT COMMITTEE

Latika Pradhan, Chairperson  
Gopal Jain, Member  
Narayan Ramachandran, Member  
V Raghunathan, Member\*  
(\*Appointed with effect from 16.4.2016)

### STAKEHOLDERS RELATIONSHIP COMMITTEE

V Raghunathan, Chairman  
Ashok Kumar Nedurumalli, Member  
Manish Mahendra Sabharwal, Member

### STATUTORY AUDITORS

Price Waterhouse & Co Bangalore LLP  
Chartered Accountants  
252, Veer Savarkar Marg, Shivaji Park,  
Dadar (West), Mumbai 400 028

**RAVI VISHWANATH**  
Chief Financial Officer

**MRUTHUNJAYA MURTHY**  
Company Secretary

### BANKERS

- Axis Bank
- Bank of India
- 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

### BRANCH OFFICES

AHMEDABAD DELHI PUNE KOLKATA  
MUMBAI HYDERABAD CHENNAI

### NOMINATION AND REMUNERATION COMMITTEE

Narayan Ramachandran, Chairman  
Latika Pradhan, Member  
Gopal Jain, Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

V. Raghunathan, Chairman  
Manish Mahendra Sabharwal, Member  
Ashok Kumar Nedurumalli, Member

### INTERNAL AUDITORS

Dias & Associates, Chartered Accountants  
No 501, 5th Cross, HMT Layout  
Bangalore 560 032

### 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](mailto:einward.ris@karvy.com)  
Website: [www.karisma.karvy.com](http://www.karisma.karvy.com)

### REGISTERED OFFICE

Office No. 6, 3rd Floor, C Wing, Laxmi Towers,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400 051, Maharashtra, India  
Tel: + 91 22 6641 9500, Fax: + 91 22 2656 6548  
E-mail: [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)  
Website: [www.teamlease.com](http://www.teamlease.com)  
Corporate Identity Number: **U74140MH2000PLC124003**

### CORPORATE OFFICE

6th Floor, BMTC Commercial  
Complex, 80 feet road, Kormangala  
Bengaluru 560 095 Karnataka, India  
Tel: + 91 80 3300 2345  
Fax: + 91 80 3324 3001



## BOARD OF DIRECTORS



### MANISH MAHENDRA SABHARWAL

Chairman and Co-founder

Manish Mahendra Sabharwal is the co-founder and currently the Chairman of our Company. He holds a master's degree in management from the Wharton School in 1996 and is an alumnus of Mayo College, Ajmer. Manish 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, a human resource outsourcing company that was acquired by Hewitt associates in 2002. He was chief executive officer of Hewitt Outsourcing (Asia) in Singapore. Manish also serves on various state and central government committees on education, employment and employability and has written articles which have featured in the Indian Express, Financial Express, Live Mint, Business Today, Business Standard and Economic Times. Manish headed the sub-committee for planning commission on remodelling of apprenticeship training as another mode for on the job training as the Chairman for the committee. He is currently a nominated member on the board of management of the Indira Gandhi National Open University ("IGNOU") and of the Central Advisory Board of Education – the highest advisory body to advise the Centre 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. Manish is also part of the expert committee on innovation (Niti Aayog). Manish has been nominated as a member of the board of Indira Gandhi National Open University.

### ASHOK KUMAR NEDURUMALLI

Managing Director and Co-founder



Ashok Kumar Nedurumalli is the co-founder and Managing Director of our Company as appointed by appointment letter dated September 03, 2015. Ashok oversees our operations and represents our Company in forums with major clients. Ashok holds a bachelor's degree in commerce from the Shri Ram College of Commerce, University of Delhi and a diploma in management from Indian Institute of Management, Bengaluru. He is a first generation entrepreneur with 17 years of experience in the industry of human resource services. Prior to his current position, he was a director of India Life Capital Private Limited, a pension and provident fund asset management company. 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.



## GOPAL JAIN

Non-Executive Director

Gopal Jain is a Non-Executive Director. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Delhi. He is the co-founder of Gaja Capital. He has over 22 years of experience in the private equity and financial services industry in India.

## LATIKA PRADHAN

Non-Executive Independent Director

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, Park 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

Non-Executive Independent Director

Narayan Ramachandran is an Independent Director of our Company. He holds a bachelor's degree in technology from the Indian Institute of Technology, Mumbai, a master's degree in business administration from the University of Michigan and is a qualified Chartered Financial Analyst. He has wide experience in the field of finance and banking and until February, 2010, he was the country head and chief executive officer of Morgan Stanley India. Prior to that he was the co-head of the emerging markets division of Morgan Stanley Investment Management, Singapore. He has been an Independent Director of our Company since July 09, 2015.

## V. RAGHUNATHAN

Non-Executive Independent Director

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 office 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.





## KEY HIGHLIGHTS AND BUSINESS UPDATE

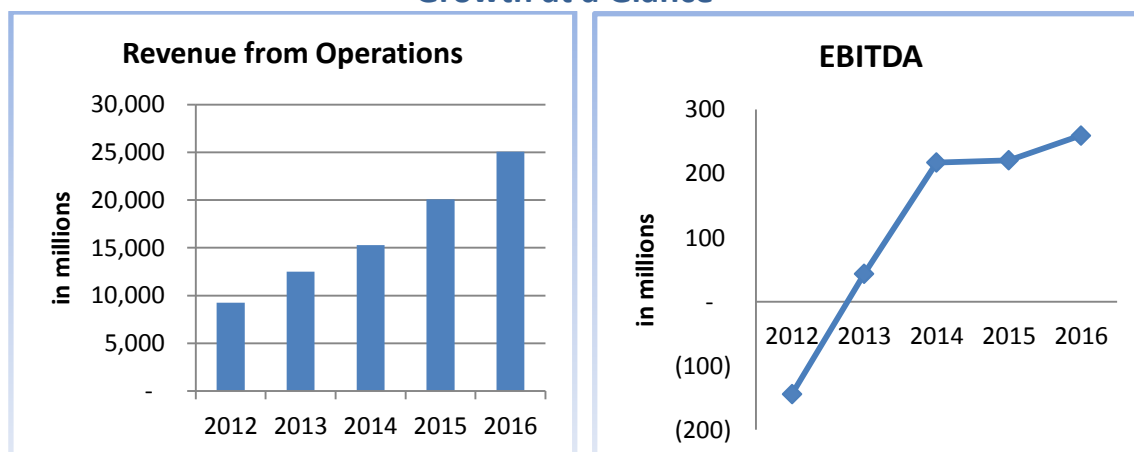
### Key highlights for the year ended March 31, 2016 (FY2016)

1. Total operating revenue was Rs.25,049.18 mn for FY2016 as compared to Rs.20,070.70 mn in FY2015 reflecting an year-on-year increase of 24.8%.
2. Operating EBITDA was Rs.259.40 mn for FY2016 as compared to Rs.220.56 mn in FY2015 reflecting year-on-year increase of 17.6%.
3. Profit before tax (PBT) was Rs.373.08 mn for FY2016 as compared to Rs.340.58 mn in FY2015 reflecting year-on-year increase of 9.5%.

### Business Update

1. During FY2016, we had a net increase in associate headcount by over 14,000 on an opening balance of 94,647. Average mark-up per associate per month increased by 7% from Rs.642 in FY15 to Rs.687 in FY16.
2. Our total client base increased from 1,200+ in FY2015 to 1,400+ in FY2016 spreading across all industries and verticals. Our Top 5 and Top 10 clients contribute to about 13% and 17% of our net revenue respectively, implying a well-diversified mix of client portfolio.
3. Our apprenticeship program, launched through TeamLease Education Foundation (TLEF), crossed 16,000 apprentice enrolments during FY2016 of which about 4,000 trainees have been certified during the year, leaving a year-end number of about 11,500 trainees. During the year, the average realisation per apprentice per month was Rs. 540 for TLEF, of which Rs.450 is the service fee paid to TeamLease.
4. Our key technology platform, ALCS 10.0, went live in February 2016 and we signed up for implementation of Salesforce CRM platform in March 2016. We also launched our mobile app 'TL Connect' for clients and associates during Q3 of the year. These investments in technology have helped us improve the productivity and quality of our services.
5. Our allocated fixed costs (exclusive of employee cost) remained flat in line with the past. During the year, our core employee costs increased on account of increase in headcount, annual inflation and additions to the leadership team as investments into the future.
6. All of our HR service businesses have turned positive during the year at both EBITDA and PBT level.

### Growth at a Glance



## REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the Annual Report of your Company along with the standalone and consolidated summary financial statements for the year ended March 31, 2016. Consolidated performances of the Company and its subsidiaries have been referred to wherever required.

## FINANCIAL RESULTS

*Rs. in millions*

PARTICULARS	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	25,049.18	20,070.70	25,049.18	20,070.70
Other Income	147.68	148.15	154.40	113.90
<b>Total Revenue</b>	<b>25,196.87</b>	<b>20,218.85</b>	<b>25,203.59</b>	<b>20,184.60</b>
Profit before finance cost, depreciation and taxes	407.08	368.72	412.21	354.43
Provision for Depreciation	30.08	26.75	30.08	27.15
<b>Profit before Finance Cost and Tax</b>	<b>377.00</b>	<b>341.97</b>	<b>382.13</b>	<b>327.28</b>
Finance Cost	3.92	1.39	3.92	1.39
<b>Profit Before Tax</b>	<b>373.08</b>	<b>340.58</b>	<b>378.21</b>	<b>325.89</b>
Provision for Tax	130.22	18.04	130.22	18.04
<b>Profit After Tax</b>	<b>242.86</b>	<b>322.54</b>	<b>247.99</b>	<b>307.85</b>
Balance available for appropriation	242.86	322.54	247.99	307.85
<b>Surplus carried to Balance Sheet</b>	<b>242.86</b>	<b>322.54</b>	<b>247.99</b>	<b>307.85</b>
Earnings Per Share:				
<b>-Basic &amp; Diluted</b>	<b>15.59</b>	<b>21.04</b>	<b>15.92</b>	<b>20.08</b>

## 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 profit and loss account.

## 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.

## 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 total revenue for the year ended March 31, 2016 on a standalone basis increased to Rs.25,196.87 mn from Rs.20,218.85 mn during the previous year. The Company achieved an EBITDA of Rs.407.08 mn during the current year as against the previous year EBITDA of Rs.368.72 mn. The profit before Tax for the financial year under review was Rs.373.08 mn as against Rs.340.58 mn for the previous financial year. The profit after tax of the Company for the year ended March 31, 2016 was Rs.242.86 mn as against the previous year profit after tax of Rs.322.54 mn. The decrease in profit after tax is due to the increase in the tax expenses.

Your Directors are satisfied with the overall financial performance and the progress made on different areas by the Company during the year under review. There are no material differences between standalone and consolidated financials.

#### **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**

#### **CONVERSION OF THE COMPANY FROM PRIVATE TO PUBLIC**

The members in their Extra Ordinary General Meeting held on April 02, 2015 approved the change of status of the Company from a Private Limited Company to a Public Limited Company and in this regard the Company received the consent from the Registrar of Companies, Mumbai, by means of fresh certificate of incorporation dated of May 15, 2015. As on the date of reporting your company is a Listed Company.

#### **INCREASE IN AUTHORIZED SHARE CAPITAL**

The members of the Company in the Extra Ordinary General Meeting held on April 02, 2015 approved the enhancement in the Authorized Capital of the Company to Rs.15.00 Crores (Rupees Fifteen Crores) divided into 133,000,000 equity shares of Re. 1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 and in the EGM held on June 25, 2015 the Authorized Capital of the Company has been further enhanced to Rs.25.00 Crores (Rupees Twenty Five Crores) presently comprising 23,300,000 equity shares of Rs.10 each and 170,000 preference shares of Rs.100 each.

#### **ISSUE OF BONUS SHARES**

Your Board of Directors in their meeting held on June 01, 2015, recommended the issue of Bonus Shares to the existing members of the Company in the ratio of 29 Equity Shares of the Company of Re. 1 each for every 1 Equity Share of the Company of Re. 1 each and the members in their EGM held on June 25, 2015 approved the same by means of a special resolution. Accordingly, the Company issued 148,209,952 equity shares of Re. 1 each as bonus shares. The total capitalization on account of this bonus issue is Rs. 148,209,952.

#### **CONSOLIDATION OF FACE VALUE OF EQUITY SHARES FROM RE. 1 EACH TO RS. 10 EACH**

Your Board of Directors in their meeting held on July 09, 2015 recommended for the consolidation of the face value of equity shares of the Company from its existing Re.1 to Rs.10 per equity share. Accordingly total 153,320,640 shares of Re.1 each post-bonus have been consolidated into 15,332,064 shares of Rs.10 each with effect from. July 10, 2015.

#### **INITIAL PUBLIC OFFERING**

During the year under review, the Company completed its highly successful Initial Public Offering of 4,984,438 Equity Shares of Rs. 10 each at a premium of Rs. 840 per Equity Share aggregating to Rs. 850 per Equity Share. The total size of the issue was Rs.4,236.77 million. The Initial Public Offer was oversubscribed to the extent ~39 times. The bid/issue was opened on February 02, 2016 and closed on February 04, 2016. Subsequently, the prospectus dated February 05, 2016 was filed with the jurisdictional Registrar of Companies. The Equity shares of the Company have been listed on both National Stock Exchange of India Limited and BSE Limited since February 12, 2016.

#### **UTILISATION OF IPO PROCEEDS**

The proceeds of the IPO are being used for funding existing and incremental working capital requirements, acquisitions and other strategic initiatives, up-gradation of the existing IT infrastructure and general corporate purposes. The unutilised portion thereto has been invested in bank deposits. The summary of utilisation of net IPO proceeds as on March 31, 2016 are as follows:

Sl. No.	Particulars	Projected Utilisation of funds as per prospectus	Utilisation of funds up to March 31, 2016	Unutilised amount as at March 31, 2016
A	Funding existing and incremental working capital requirements	800.00	-	800.00
B	Acquisitions and other strategic initiatives	250.00	-	250.00
C	Upgradation of the existing IT infrastructure	150.00	-	150.00
D	General corporate purposes	184.10	-	184.10
	<b>Total</b>	<b>1,384.10</b>	<b>-</b>	<b>1,384.10</b>

#### STATUTORY BONUS AND ITS IMPACT

During the year under review, the Payment of Bonus Act, 1965 ("the Act") was amended vide the Payment of Bonus (Amendment) Act, 2015. The Act, *inter-alia*, has been amended to take retrospective effect with effect from April 01, 2014 and accordingly the revised bonus (including arrears related to the year ended March 31, 2015) is required to be paid to the eligible employees. Based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from April 01, 2014 in respect of statutory bonus has not been recognised and treated as contingent liability.

#### 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 new 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 has incurred Rs. 446,316 towards expenditure in foreign currency and there were no export of services during the year. Total foreign exchange outflow for the year is Rs. 68,730.

#### 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 (Listing Obligations and Disclosure Requirements) 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 and other employees from trading in the securities of the Company at the time when

there is unpublished price sensitive information. The Board has appointed Mr. Mruthunjaya Murthy, Company Secretary as the Compliance Officer under the Code.

#### **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 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 March 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 Kumar Nedurumalli (Member). During the year under review, the Committee met on July 20, 2015 and March 30, 2016 and adopted the policy of the Committee as per Schedule VII of the Companies Act, 2013. The Board of Directors in their meeting held on March 30, 2016 unanimously decided not to incur any expenditure on Corporate Social Responsibility activity during the year under review since the Board is yet decide on the areas of expenditure to be incurred towards the activity. The Board has also noted to implement the scheme of expenditure once the same is determined.

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particular of loans, guarantees, securities or investments made under Section 186 is furnished in **Annexure-II** and is attached to this report.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. There were no transactions with related parties which could be considered material by the Board. Details of transaction during the year under review are given in Form AOC-2 **[Annexure III]** as referred to in Section 188(1) of the Companies Act 2013.

#### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

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 2015-16 and their report is annexed to this Board report as **Annexure IV**. The Board has also appointed M Siroya & Company as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2016-17.

In connection with the statutory audit of the financial statements, there was no observation/qualification in the report by the Statutory Auditors.

#### **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 is furnished in **Annexure-V** 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, cost 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, 2016.

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

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) that the annual accounts have been prepared on a going concern basis;
- e) 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
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The subsidiaries of the Company are:

1. IIJT Education Private Limited
2. Teamlease Education Foundation
3. National Employability Apprenticeship Services
4. India Tourism & Hospitality Skills Education Private Limited

**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. Total revenue amounted to Rs. 6.96 mn and expenses during the year under review were Rs. 1.82 mn, thereby resulting in a profit before tax of Rs. 5.14 mn.

**TeamLease Education Foundation (TLEF)** is a Section 8 Company (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, commenced operations during the year under review and 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 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. Revenue from operations was Rs. 2.71 mn and Interest Income was Rs. 13.01 mn and the Profit before tax was Rs. 0.3 mn.

**National Employability Apprenticeship Services** is a Section 8 Company (Registered under Section 25 of the Companies Act, 1956) and is a wholly owned subsidiary. During the year under review there were no operations and company did not register any income.

**India Tourism & Hospitality Skills Education Private Limited (ITHS)** is a wholly owned subsidiary. During the year under review the Company did not carry out any operation.

A report on the performance and financial position of the subsidiary companies as per the Companies Act, 2013 in the Form AOC-1 is provided as an annexure to the consolidated financial statement and hence not repeated here for the sake of brevity.

The Company does not have Joint Venture with any company and also does not have any Associate Company.

## DEPOSITS

Company did not accept any fixed deposits during the year and as such no amount of principal or interest was outstanding as on the Balance Sheet Date.

## DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the year under review Mr. K. Ravindra, Nominee Director resigned from his position with effect from July 9, 2015. Mr. Mohit Virendra Gupta, a Promoter and Director of the Company, also resigned from the office of directorship due to personal reasons with effect from July 31, 2015. Your Board places on record its sincere appreciation of the valuable contribution and services provided by Mr. K. Ravindra and Mr. Mohit Virendra Gupta. Consequent to the change in the status of the Company during the year under review, the Company has appointed Mr. Mruthunjaya Murthy as the Company Secretary with effect from May 7, 2015 and confirmed the appointment of Mr. Narayanaswamy Ravi Vishwanath as the Chief Financial Officer under the Companies Act, 2013 with effect from May 7, 2015.

During the year under review, Mrs. Latika Pradhan was appointed as Additional (Woman) Director – Independent and Mr. V. Raghunathan and Mr. Narayan Ramchandran as Additional Directors (Independent), on July 9, 2015 as required under the provisions of Section 149 of the Companies Act, 2013. Their appointment as Independent Directors was confirmed by the shareholders in their extraordinary general meeting held on July 10, 2015.

## DECLARATION OF INDEPENDENT DIRECTORS

During the year under review, the Company has appointed independent directors on July 10, 2015 and accordingly the independent directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## STATUTORY AUDITORS

M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 30, 2014. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders.

The Company has received a certificate from the Statutory Auditors to the effect that their appointment would be in accordance with the provisions of Section 141 of the Companies Act, 2013.



## INTERNAL FINANCIAL CONTROL

Your Board has adopted the policies and procedures 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 disclosures.

## 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

The Board has adopted policies and procedures 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 disclosures.

## 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.

## 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. EMPLOYEES STOCK OPTION PLAN

The Board of Directors of the Company on August 03, 2015 approved to cancel the previous ESOP Scheme which was issued by the Company on July 27, 2011 and to implement the new "TeamLease Employee Stock Option Plan 2015" which has been formulated and the existing ESOP Trust has been re-constituted in line with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014, provisions of the Articles of Association of the Company and Companies Act, 2013 and Rules thereunder. The shareholders of the Company approved the ESOP 2015 Scheme on July 10, 2015. All unvested and unexercised ESOPs granted to employees under the previous ESOP scheme have been cancelled with effect from August 03, 2015.

## CORPORATE GOVERNANCE

The complete report on Corporate Governance is annexed to this report.

## CEO AND CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO have given appropriate certifications to the Board of Directors in this Annual Report.

## HUMAN RESOURCES

During the year under review the Company has structured a harassment free policy as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act. The company during the year did not receive any complaints in this regard. The harassment free policy has been uploaded in the website of the Company <http://www.teamlease.com/compliance-documents>.



## **PARTICULARS OF EMPLOYEES**

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 employees who were in the employment of the Company during the financial year drawing remuneration of Rs.60 lakhs or more and who were employed for a part of the financial year and have drawn a remuneration of more than Rs. 5 lakhs per month are given in **Annexure - VI** is attached herewith.

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 VII** forming part of this Report.

## **ACKNOWLEDGEMENTS**

We thank our customers, vendors, investors, bankers and the ministry of labor 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, cooperation and support.

## **FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Manish Mahendra Sabharwal  
Chairman  
DIN: 00969601

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016

## ANNEXURE-I

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	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.
	The main objective of our CSR policy is:
	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.
	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:
	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	V. Raghunathan, Chairman
	Manish Mahendra Sabharwal
	Ashok Kumar Nedurumalli
3. Average net profit of the Company for last three financial years	Rs. 204,218,960
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 4,084,379
5. Details of CSR spent during the financial year :	
a. Total amount to be spent for the financial year	Rs. Rs. 4,084,379
b. Amount unspent, if any	Rs. Rs. 4,084,379
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.
CSR project or activity identified	<b>NOT APPLICABLE</b>
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 :)	
(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 yet to decide on the areas of expenditure to be incurred towards the activity of CSR.
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**

Manish Mahendra Sabharwal  
Chairman  
DIN: 00969601

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016

## ANNEXURE-II

### The particulars of Loans, guarantees, securities or investments made under Section 186

Name of the Party	Amount of Loans Given During the Year	Balance as on 31 March, 2016	Rate of Interest	Purpose for which the loan, guarantee or security is proposed to be utilised by the recipient there-of.
IJIT Education Private Limited	NIL	12,760,574	NIL	For Business purposes
TeamLease Education Foundation	59,500,130	214,293,037*	9%	For Business purposes
National Employability Apprenticeship Services	NIL	241,156	NIL	For Business purposes

\*Maximum amount outstanding in the nature of loans anytime during the year was Rs. 140,064,337.

### FOR AND ON BEHALF OF BOARD OF DIRECTORS

Manish Mahendra Sabharwal  
Chairman  
DIN: 00969601

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016

**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 Private Limited	Management having significant influence	Investment advice received by the Company for the PF Trust	Continuous Period	540,000	Quarterly Approval and omnibus approval from audit committee in the meeting held on January 15, 2016	NIL
India Life Capital Private Limited	Management having significant influence	Accounting Services provided by the Company	Continuous Period	300,000		NIL
India Life Capital Private Limited	Management having significant influence	Renting of space by the Company	Continuous Period	1,908,000		NIL
IIJT Education Private Limited	Subsidiary Company	Accounting Services provided	Continuous Period	240,000		NIL
TeamLease Education Foundation	Subsidiary Company	Service Charges provided	One Time Arrangement	1,012,000	March 30, 2016	NIL

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Manish Mahendra Sabharwal  
Chairman  
DIN: 00969601

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016

**ANNEXURE IV  
FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

*[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TeamLease Services Limited (hereinafter called the Company). 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, 2016 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, 2016 according to the applicable provisions of:

- (i) The Companies Act, 1956 (the Old Act) and the rules made thereunder;
- (ii) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) 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
- (vi) 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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.
- (vii) Based on the representation made by the Company and its officers and our verification of the relevant records, the Company has adequate system and process in place for compliance under the other Laws applicable specifically to the Company, a list whereof is enclosed herewith as an **Annexure – A**.

Further, based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations and Guidelines. Major heads/groups of Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:

- (i) Acts as prescribed under Direct Tax and Indirect Tax;

- (ii) Acts prescribed under prevention and control of pollution;
- (iii) Acts prescribed under environmental protection;
- (iv) Land Revenue laws of respective States;
- (v) Labour Welfare Act of respective States; and
- (vi) Local laws as applicable to various offices of the Company.

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 Limited (applicable w.e.f. February 10, 2016); and
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India, w.e.f. July 1, 2015.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 at the meeting.

Decisions at the meetings of the Board of the Company were carried through on the basis of majority and there were no dissenting views by any Member of the Board during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company 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 major 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) During the previous financial year 2014-15, the Company had passed a special resolution in its Extra Ordinary General Meeting held on 15<sup>th</sup> January 2015 and made an application to the High Court of Judicature at Bombay to approve the adjustment of the debit balance in the Profit & Loss Account amounting to Rs. 382,259,301 against the balance in the Securities Premium Account. The Order of the Hon'ble High Court dated 27<sup>th</sup> March 2015 was filed with the Registrar of Companies ("RoC") on May 8, 2015 and the minutes as approved by the Court were registered by the Registrar of Companies on May 29, 2015;
- (ii) On April 2, 2015, the members at their Extra Ordinary General Meeting, inter-alia, approved the following:
  - a) Increase in Authorised Share Capital of the Company from Rs. 2.70 crores to Rs. 15 crores; and
  - b) Conversion of the Company Private to the Public Limited.
- (iii) On June 25, 2015, the members at their Extra Ordinary General Meeting, inter-alia, approved the following:
  - a) Increase in Authorised Share Capital of the Company from Rs. 15 crores to Rs. 25 crores; and
  - b) Approved issue of the Bonus Shares of the Company.
- (iv) On July 9, 2015, the Board inter-alia, approved the following:
  - a) Allotted 148,209,952 Bonus Equity Shares of Re. 1 each, in the ratio of 29 equity shares of Re. 1 each for every one equity share of Re. 1 each, to the Members of the Company.

- b) Subject to requisite approvals, approved consolidation of Face Value of Equity shares from Re. 1 each to Rs. 10 each;
  - c) Subject to requisite approvals, approved cancellation of old ESOP Scheme and Approving the new ESOP Scheme; and
  - d) Initial Public offerings.
- (v) On July 10, 2015, the members at their Extra Ordinary General Meeting, inter-alia, approved the following:
- a) Consolidation of Face Value of Equity shares from Re. 1 each to Rs. 10 each;
  - b) Cancellation of old ESOP Scheme and Approving the new ESOP Scheme;
  - c) Initial Public offerings; and
  - d) Approval of Sitting fees to Independent Directors for attending the meetings of the Board and its Committees.
- (vi) On September 3, 2015, the Board approved appointment of Mr. Ashok Kumar Nedurumalli as Managing Director of the Company for 5 years and Mr. Manish Mahendra Sabharwal as Whole Time Director and Chairman of the Company w.e.f. September 3, 2015;
- (vii) On September 10, 2015, the IPO Committee approved Draft Red Herring Prospectus and the same was filed with The Securities and Exchange Board of India ("SEBI") on September 10, 2015 and SEBI gave final observations on the same on December 11, 2015;
- (viii) The Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated September 30, 2015 and September 29, 2015, respectively;
- (ix) On January 22, 2016, the Board approved Red Herring Prospectus ("RHP") and the same was then filed with SEBI on January 22, 2016;
- (x) The RHP was filed with the RoC on January 23, 2016 and the same was approved by the RoC;
- (xi) On February 6, 2016, the Board approved and adopted Prospectus and it was filed with the RoC on February 7, 2016 and the same was approved on February 8, 2016. Approved prospectus was filed with SEBI, National Stock Exchange of India Ltd. and BSE Limited; and
- (xii) The Company came out with an Initial Public Offerings comprising of Offer for Sale of 3,219,733 Equity shares and a fresh issue of 1,764,705 Equity shares of Rs. 10 each for cash at a premium of Rs. 840 each. The Issue was opened for subscription on February 2, 2016 (for Anchor Investors, the Offer opened and closed on February 1, 2016) and closed on February 4, 2016 and the same was fully subscribed and accordingly the Board allotted 1,764,705 equity shares of Rs. 10 each on February 10, 2016. The Stock Exchanges, BSE Limited and National Stock Exchange of India Limited granted their approval and the Listing and Trading Approvals were granted on February 11, 2016.

**For M Siroya and Company**  
**Company Secretaries**

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

Place: Mumbai  
Date: June 13, 2016

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.



**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

To,  
The Members,  
TeamLease 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: June 13, 2016  
Place: Mumbai

Annexure V  
FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on Financial Year ended on March 31, 2016  
[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	U74140MH2000PLC124003
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 0051 Tel.: +91 080 33002345 Fax: +91 080 33243001 E-mail: corporateaffairs@teamlease.com Website: www.teamlease.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
1	IIJT Education Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra ( E ), Mumbai – 400 0051	U72200MH2006PTC218082	Subsidiary
			% of shares held
			100%
			Applicable Section
			Sec. 2 (87)

2	Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra ( E ), Mumbai – 400 0051	U80903MH2011NPL219138	Subsidiary	100%	Sec. 2 (87)
3	India Tourism & Hospitality Skills Education Pvt. Ltd. Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra ( E ), Mumbai – 400 0051	U80900MH2011PTC219217	Subsidiary	100%	Sec. 2 (87)
4	National Employability Apprenticeship Services 6th Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bengaluru 560 095	U74900KA2013NPL067835	Subsidiary	100%	Sec. 2 (87)

\* HR Offshoring Ventures Pte Ltd., Singapore ceased to be the holding company with effect from July 31, 2015.

#### 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 31-March-2015]			No. of Shares held at the end of the year [As on 31-March-2016]			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual/ HUF	-	1,781	1,781	0.03	5,343	-	5,343
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	43,814	43,814	0.86	2,366,728	-	2,366,728
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	-	45,595	45,595	0.89	2,372,071	-	2,372,071
<b>(2) Foreign</b>							
a) NRI Individuals	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	2,672,100	2,672,100	52.28	5,426,579	-	5,426,579
d) Any other	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	2,672,100	2,672,100	52.28	5,426,579	-	5,426,579
<b>TOTAL (A)</b>	-	2,717,695	2,717,695	53.18	7,798,650	-	7,798,650

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	2,202,473	-	2,202,473	2,202,473	12.88	12.88
b) Banks / FI	-	-	-	446	-	446	446	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	832,698	-	832,698	832,698	4.87	4.87
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPIs)	-	-	-	1,693,259	-	1,693,259	1,693,259	9.90	9.90
<b>Sub-total (B)(1):-</b>	-	-	-	4,728,876	-	4,728,876	4,728,876	27.66	27.66
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	1,145,497	1,145,497	22.41	1609413	1609413	1,609,413	9.41	(13.00)
ii) Overseas	-	983,956	983,956	19.25	1771299	1771299	1,771,299	10.36	(8.89)
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	263,540	263,540	5.16	325479	325479	400,581	2.34	(2.81)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	410136	410136	652,371	3.82	3.82
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	472	472	472	0.00	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	6914	6914	6,914	0.04	0.04
Trusts	-	-	-	-	-	-	128,193	0.75	0.75
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	2,392,993	2,392,993	46.82	4,123,713	4,123,713	4,569,243	26.73	(20.10)
<b>Total Public (B)</b>	-	2,392,993	2,392,993	46.82	8,852,589	8,852,589	9,298,119	54.39	7.56
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	5,110,688	5,110,688	100.00	16,651,239	16,651,239	17,096,769	100.00	-

**(ii) Shareholding of Promoters<sup>^</sup>**

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.	2,672,100	52.28	-	5,426,579	31.74	-	(20.54)
2	Dhana Management Consultancy LLP	-	-	-	1,379,886	8.07	-	8.07
3	NED Consultants LLP	-	-	-	855,100	5.00	-	5.00
4	MKS Management Consultancy Services LLP	-	-	-	300	0.00	-	0.00
5	Hansini Management Consultants Private Limited	43,814	0.86	-	131,442	0.77	-	(0.09)
6	Anupama Gupta	972	0.02	-	2,916	0.02	-	(0.00)
7	Arati Menon	809	0.02	-	2,427	0.01	-	(0.00)

<sup>^</sup> 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						
	Changes during the year	7/9/2015	Bonus	2,672,100	52.28		
		7/10/2015	Consolidation	77,490,900	52.28	80,163,000	52.28
		7/31/2015	Gift made	(1,581,600)	(10.32)	6,434,700	41.97
		2/10/2016	Offer for Sale	(153,321)	(1.00)	6,281,379	36.74*
		3/31/2016	Gift made	(854,800)	(5.00)	5,426,579	31.74
	At the end of the year					6,281,379	31.74
2	Dhana Management Consultancy LLP						
	At the beginning of the year						
	Changes during the year	7/31/2015	Gift received	1,379,886	9.00	1,379,886	9.00
	At the end of the year					1,379,886	8.07*



2	India Advantage Fund S3 I								
	At the beginning of the year							16.67	
	Changes during the year	7/9/2015	Bonus			851,781		16.67	25,553,430
		7/10/2015	Consolidation			24,701,649			2,555,343
		2/10/2016	Offer for Sale			(1,533,206)		(10.00)	1,022,137
	At the end of the year								1,022,137
3	Gaja Capital India Fund-I								
	At the beginning of the year					229,832		4.50	
	Changes during the year	7/9/2015	Bonus			6,665,128		4.50	6,894,960
		7/10/2015	Consolidation						689,496
		2/10/2016	Offer for Sale			(275,977)		(1.80)	413,519
	At the end of the year								413,519
4	Gaja Advisors Private Limited#								
	At the beginning of the year					63,884		1.25	
	Changes during the year	7/9/2015	Bonus			1,852,636		1.25	1,916,520
		7/10/2015	Consolidation						191,652
		2/10/2016	Offer for Sale			(76,660)		(0.50)	114,992
	At the end of the year								114,992
5	A R Rajesh#								
	At the beginning of the year					35,945		0.70	
	Changes during the year	7/9/2015	Bonus			1,042,405		0.70	1,078,350
		7/10/2015	Consolidation						107,835
	At the end of the year								107,835
6	Rituparna Chakraborty#								
	At the beginning of the year					30,634		0.60	
	Changes during the year	7/9/2015	Bonus			888,386		0.60	919,020
		7/10/2015	Consolidation						91,902
		8/3/2015	Stock Options			3,675		0.02	95,577
		2/10/2016	IPO Allotment			225		0.00	95,802
	At the end of the year								95,802
7	Narayanan Venkatraman#								
	At the beginning of the year					30,505		0.60	
	Changes during the year	7/9/2015	Bonus			884,645		0.60	915,150
		7/10/2015	Consolidation						91,515
	At the end of the year								91,515





[illegible]

18	DSP BlackRock Equity Fund <sup>^</sup>									
	At the beginning of the year					-				
	Changes during the year		2/10/2016	IPO Allotment		170,549	1.00	170,549	1.00	
			2/19/2016	Purchase		333,321	1.95	503,870	2.95	
			2/26/2016	Purchase		19,000	0.11	522,870	3.06	
	At the end of the year							522,870	3.06	
19	Nomura India Investment Fund Mother Fund <sup>^</sup>									
	At the beginning of the year					-				
	Changes during the year		2/19/2016	Purchase		513,157	3.00	513,157	3.00	
			2/26/2016	Sale		(6,748)	(0.04)	506,409	2.96	
	At the end of the year							506,409	2.96	

\* The decrease in % of shareholding is due to Initial Public Offer comprising of Offer for Sale of 3,219,733 equity shares and fresh issue of 1,760,405 equity shares of face value Rs. 10 each.

<sup>^</sup> Not in the list of Top 10 shareholders as on 01/04/2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016 or during # Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01/04/2015 or during

**(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			8,825	0.17		
	Changes during the year	7/9/2015	Bonus	255,925	0.17	264,750	0.17
		7/10/2015	Consolidation			26,475	0.17
		8/3/2015	Stock Options <sup>^</sup>	9,825	0.06	36,300	0.24
		2/10/2016	IPO Allotment	225	0.00	36,525	0.21*
	At the end of the year					36,525	0.21*
2	Latika Pradhan - Independent Director						
	At the beginning of the year			-			
	Changes during the year	2/10/2016	IPO Allotment	15	0.00	15	0.00
	At the end of the year					15	0.00

<sup>^</sup> The equity shares were transferred from the ESOP Trust and not allotted by the Company.

\* The decrease in % of shareholding is due to Initial Public Offer comprising of Offer for Sale of 3,219,733 equity shares and fresh issue of 1,760,405 equity shares of face value Rs. 10 each.

Note: None of the Directors and KMP's of the Company (excluding as reported above) holds 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition *	193,615,743	-	-	193,615,743
Reduction	-	-	-	-
<b>Net Change</b>	<b>193,615,743</b>	<b>-</b>	<b>-</b>	<b>193,615,743</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount*	193,615,743	-	-	193,615,743
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>193,615,743</b>	<b>-</b>	<b>-</b>	<b>193,615,743</b>

\* Represents temporary overdraft facility taken from Banks.

**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/WTD/ Manager				Total Amount
		Ashok Kumar Nedurumalli Managing Director	Manish Sabharwal Whole Time Director	Mohit Gupta * Whole Time Director		
1	Gross salary	4,572,950	4,206,000	2,194,738		10,973,688
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(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)	4,572,950	4,206,000	2,194,738	10,973,688	
	Ceiling as per the Companies Act, 2013					
					Rs. 24,285,828/-	

\* Resigned with effect from July 31, 2015.

Note: Gross salary mentioned in the table is the amount paid during the FY 2015-16.

#### 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	170,550	130,350	90,350	391,250	
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	170,550	130,350	90,350	391,250	
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	170,550	130,350	90,350	391,250	
	Total Managerial Remuneration*				11,364,938	
	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	7,162,624	2,002,763	9,165,387	
	(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							7,162,624	2,002,763
									9,165,387

\* Appointed with effect from May 05, 2015.

Note: Gross salary mentioned in the table is the amount paid during the FY 2015-16.

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			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**Annexure-VI****Employee / Director employed for the year ended 31st March, 2016 and the receipt of Gross Remuneration of Rs. 500,000 per month or 6,000,000 or more, p.a.**

Name of the Employee	Ravi Vishwanath	Rituparna Chakraborty
Designation	Chief Financial Officer	Senior Vice President, Staffing
Gross Remuneration Received	Rs. 7.16 mn	Rs. 7.72 mn
Nature of Employment (Contractual) or otherwise)	Regular	Regular
Qualification	Chartered Accountant	Post Graduate Diploma in Business Management
Date of commencement of employment	14.02.2011	6.1.2003
Experience (No. of Yrs)	22	15
Age	53	41
Last Employment	Sun Microsystems India Private Limited	India Life Pension Services Private Limited
% of equity shares held in the Company	0.21%	0.56%
whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	Nil	Nil

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Manish Mahendra Sabharwal  
Chairman  
DIN: 00969601

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016

## ANNEXURE VII

**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**

Clause u/r 5(1)	Prescribed Requirement	Particulars		
I & II	Name and Designation	Remuneration of directors/KMPs for the financial year 2015-16	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in Remuneration in the financial year 2015-16
	Ashok Kumar Nedurumalli, Managing Director	4,572,950	15.91	2.60%
	Manish Mahendra Sabharwal, Executive Director & Chairman	4,206,000	14.64	-1.64%
	Mohit Gupta (Resigned w.e.f July 31, 2015)*, Executive Director	2,194,738	7.64	-48.38%
	Gopal Jain, Non-Executive Director	-	-	NA
	Latika Pradhan, Independent Director	170,550	0.59	NA
	Narayan Ramachandran, Independent Director	130,350	0.45	NA
	Raghunathan V, Independent Director	90,350	0.31	NA
	Ravi Vishwanath, Chief Financial Officer	7,162,624	24.93	3.14%
	Mruthunjaya Murthy (appointed w.e.f. May 07, 2015)*, Company Secretary	2,002,763	6.97	NA
	* Not Annualised			
	III	Percentage increase in the median remuneration of employees in the financial year	Median Remuneration during the year was Rs. 287,342. The median remuneration was increased by 12.62%.	
IV	Number of permanent employees on the rolls of company	1278 Core Employees as on March 31, 2016		
V	Explanation on the relationship between average increase in remuneration and company performance	The Profit before Tax for the financial year ended March 31, 2016 increased by 8.71% whereas the increase in median remuneration was 12.62%.		
VI & IX	Comparison of the remuneration of the key managerial personnel against the performance of the Company:			
	Name	Remuneration	Profit before tax	As a % of PBT
	Mr. Ashok Kumar Nedurumalli	4,572,950	373,081,990	1.23
	Mr. Manish Mahendra Sabharwal	4,206,000	373,081,990	1.13
	Mr. Mohit Gupta (Resigned w.e.f July 31, 2015)	2,194,738	373,081,990	0.59
	Mr. Ravi Vishwanath	7,162,624	373,081,990	1.92
	Mr. Mruthunjaya Murthy (appointed w.e.f. May 07, 2015)	2,002,763	373,081,990	0.54



VII	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:	<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>
		Market Capitalization	NA	Rs. 15,317 million
		PE Ratio		57.47
	Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:	- IPO price per share (Feb 2016)		850.00
		- Market price as at Mar 31, 2016		895.90
		% increase from last IPO		5.12%
		The Company got listed during the Financial Year 2015-16. Net worth of the Company as at the close of the current financial year and previous financial year was Rs 3,101.56 million and Rs 1,479.08 million respectively.		
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 in remuneration of employees other than the Managerial Personnel – 12.70%.  b) Average increase in remuneration of Managerial Personnel – 1.68%.		
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.		
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	<b>Name of the Employee</b>	<b>Designation</b>	<b>Ratio*</b>
		Kunal Sen	Senior Vice President, Sourcing	1.04
		Rituparna Chakraborty	Senior Vice President, Staffing	1.69
		Ravi Vishwanath	Chief Financial Officer	1.57
		* Highest paid director during the year ended March 31, 2016 is Mr. Ashok Kumar Nedurumalli, Managing Director.		
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.		

## CORPORATE GOVERNANCE REPORT

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct. At TeamLease, Corporate Governance is defined as a systematic process by which companies are directed and controlled keeping in mind the long-term interests of all their 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.

### 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 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.

### 1. 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.

### Composition

The composition of the Board of Directors of the Company is in conformity with the Code of Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an optimum combination of Executive and Non-Executive Directors.

The Board consists of three Independent Directors, one Non- executive Director and two Executive Directors. Since the Company has the Executive Chairman to preside the Board, the constitution of Board is equally shared between Independent Directors and Executive and Non-Executive Directors. The Company has one Woman Director in its Board and as such the Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board believes that the current size is appropriate, based on the Company's present volume of operations and nature of business.

### Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on March 31, 2016:

Name of the Director	Designation	Category	No. of Directorship(s) and Committee(s) Membership(s)/ Chairmanship(s) (excluding the Company)		
			Other Directorship(s)*	Committee Membership**	Committee Chairmanship**
Mr. Manish Mahendra Sabharwal	Chairman	Promoter & Executive Director	2	-	1
Mr. Ashok Kumar Nedurumalli	Managing Director	Promoter & Executive Director	-	-	-

Mr. Gopal Jain	Non-Executive Director	Non-Executive Director	2	1	-
Mrs. Latika Pradhan	Non-Executive Independent Director	Independent Non-Executive Director	1	1	-
Mr. Narayan Ramachandran	Non-Executive Independent Director	Independent Non-Executive Director	3	-	-
Mr. Raghunathan V	Non-Executive Independent Director	Independent Non-Executive 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 (Listing Obligations and Disclosure Requirements) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Directorship/Committee membership is based on the disclosures received from the Directors as on March 31, 2016.
4. No director has any *inter-se* relationship with other Directors.
5. None of the Non-Executive Directors holds any shares in the Company except Mrs. Latika Pradhan who holds 15 equity shares as on March 31, 2016.

**Board meetings:**

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.

The Board of Directors met 12 times during the financial year 2015-16 on the following dates:

Sl. No.	Type of Meeting	Date of the meeting
1	Board Meeting	May 07, 2015
2	Board Meeting	June 01, 2015
3	Board Meeting	July 09, 2015
4	Board Meeting	July 20, 2015
5	Board Meeting	July 31, 2015
6	Board Meeting	September 03, 2015
7	Board Meeting	December 23, 2015
8	Board Meeting	January 17, 2016
9	Board Meeting	January 22, 2016

10	Board Meeting	February 06, 2016
11	Board Meeting	February 10, 2016
12	Board Meeting	March 30, 2016

#### Attendance of Directors at Board Meetings and Annual General Meeting:

Director	No. of Board Meetings		Attendance at last AGM (30 <sup>th</sup> September, 2015)
	Held during directorship	Attended	
Mr. Manish Mahendra Sabharwal	12	9	Yes
Mr. Ashok Kumar Nedurumalli	12	12	Yes
Mr. Gopal Jain	12	6	No
Mrs. Latika Pradhan	10	6	Yes
Mr. Narayan Ramachandran	10	5	No
Mr. Raghunathan V	10	4	No

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 (Listing Obligations and Disclosure Requirements) Regulation, 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.

#### Directors' Induction and Familiarization

The provision of an appropriate induction programme 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 programmes are provided 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 <http://www.teamlease.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 <http://www.teamlease.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 <http://www.teamlease.com/compliance-documents/>.

## Board Evaluation

In terms of the requirements of the Act and Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors. During the year, in terms of the requirements of the Act and Listing Regulations, 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 judgement. 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.

## Committees of the Board

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 Board had established the following Committees.

### A. Audit Committee

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

Mrs. Latika Pradhan	Chairperson (Independent Director)
Mr. Narayan Ramachandran	Member (Independent Director)
Mr. Raghunathan V	Member (Independent Director)
Mr. Gopal Jain	Member (Non- Executive 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 (Listing Obligations and Disclosure Requirements) 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 thrice during the financial year ended March 31, 2016 on September 03, 2015; January 15, 2016 and March 30, 2016.

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

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mrs. Latika Pradhan	Chairperson	3	3
Mr. Narayan Ramachandran	Member	3	3
Mr. Gopal Jain	Member	3	2

## B. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors in their meeting held on July 09, 2015 approved the constitution of the Nomination and Remuneration Committee comprising of the following members.

Mr. Narayan Ramachandran	- Chairperson (Independent Director)
Mrs. Latika Pradhan	- Member (Independent Director)
Mr. Gopal Jain	- Member (Non-Executive Director)

The terms of reference for the Nomination and Remuneration Committee are as follows:

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;
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].

As per the SEBI Notification No. SEBI/LAD-NRO/GN/2015-16/013 in respect of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Board of Directors in their meeting held on January 17, 2016 approved to insert the following clause in addition to the existing clauses.

"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 two times during the year under review i.e. on September 03, 2015 and January 15, 2016.

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

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Narayan Ramachandran	Chairman	2	1
Mrs. Latika Pradhan	Member	2	2
Mr. Gopal Jain	Member	2	2

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.

### Remuneration Policy:

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. During the year 2015-16 the Company paid sitting fees of Rs. 20,000 per Board Meeting and Rs. 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 of the Company.

Services of the Executive Directors may be terminated by either party, giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fees.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

As required under the provisions of Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors in their meeting held on July 09, 2015 have constituted the Stakeholders Relationship Committee comprising of the following members:

Mr. Raghunathan V	- Chairman
Mr. Manish Mahendra Sabharwal	- Member
Mr. Ashok Kumar Nedurumalli	- Member

The terms of reference as amended by the regulators from time to time are frequently reviewed and appended to the committee charter. The existing terms of reference for the Committee is as follows:

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 in the Equity Listing Agreement; 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 three times i.e., on July 31, 2015, August 03, 2015 and October 26, 2015.

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

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. V. Raghunathan, Chairman*	Chairman	-	-
Mr. Manish Mahendra Sabharwal	Member	3	3
Mr. Ashok Kumar Nedurumalli	Member	3	3

\*Was inducted to the committee effective December 23, 2015.



**DETAILS OF COMPLIANCE OFFICER**

Mr. Mruthunjaya Murthy, Company Secretary is the Compliance Officer of the Company. The shareholders may send their complaints to [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com).

**Details of shareholders' complaints**

(a) Number of shareholders' complaints received during the year	: 150
(b) Number of shareholders' complaints resolved during the year	: 150
(c) Number of complaints not solved to the satisfaction of shareholders	: NIL
(d) Number of complaints pending	: NIL

**GENERAL BODY MEETINGS****1. General Meeting****a) Annual General Meeting ("AGM"):**

Financial Year	Date	Time	Venue	Special Resolution passed
2012-13	September 30, 2013	3:00 PM	<b>Registered office:</b> Office No. 6, 3rd Floor, C Wing, Laxmi Towers Bandra (East), Mumbai 400 051	NIL
2013-14	September 30, 2014	5:00 PM		NIL
2014-15	September 30, 2015	4:00 PM		Appointment of Ashok Kumar Nedurumalli as Managing Director and Manish Mahendra Sabhrawal as Whole Time Director

**b) Special Resolutions passed through postal ballot:**

No special resolution was passed by the Company through postal ballot last year.

**c) Details of special resolution proposed to be conducted through postal ballot:**

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 02, 2016.

**MEANS OF COMMUNICATION**

The quarterly and year to date results of the Company are published in leading newspapers in India which include, Financial Express and Loksatta. The results are also displayed on the Company's website [www.teamlease.com](http://www.teamlease.com). Press Releases made by the Company from time to time are also displayed on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the results are also displayed on the Company's website. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

**GENERAL SHAREHOLDERS INFORMATION****Annual General Meeting for FY 2015-16**

Day, date and time	: Tuesday, August 02, 2016 at 3.00PM
Venue	: Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050, Maharashtra, India
Financial Year	: April 01, 2015 to March 31, 2016
Date of Book Closure	: As mentioned in the Notice of the AGM to be held on August 02, 2016.

**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	INE9850S1024
BSE Limited	Floor 25, PJ Towers, Dalal Street, Mumbai – 400-001, www.bseindia.com	539658	

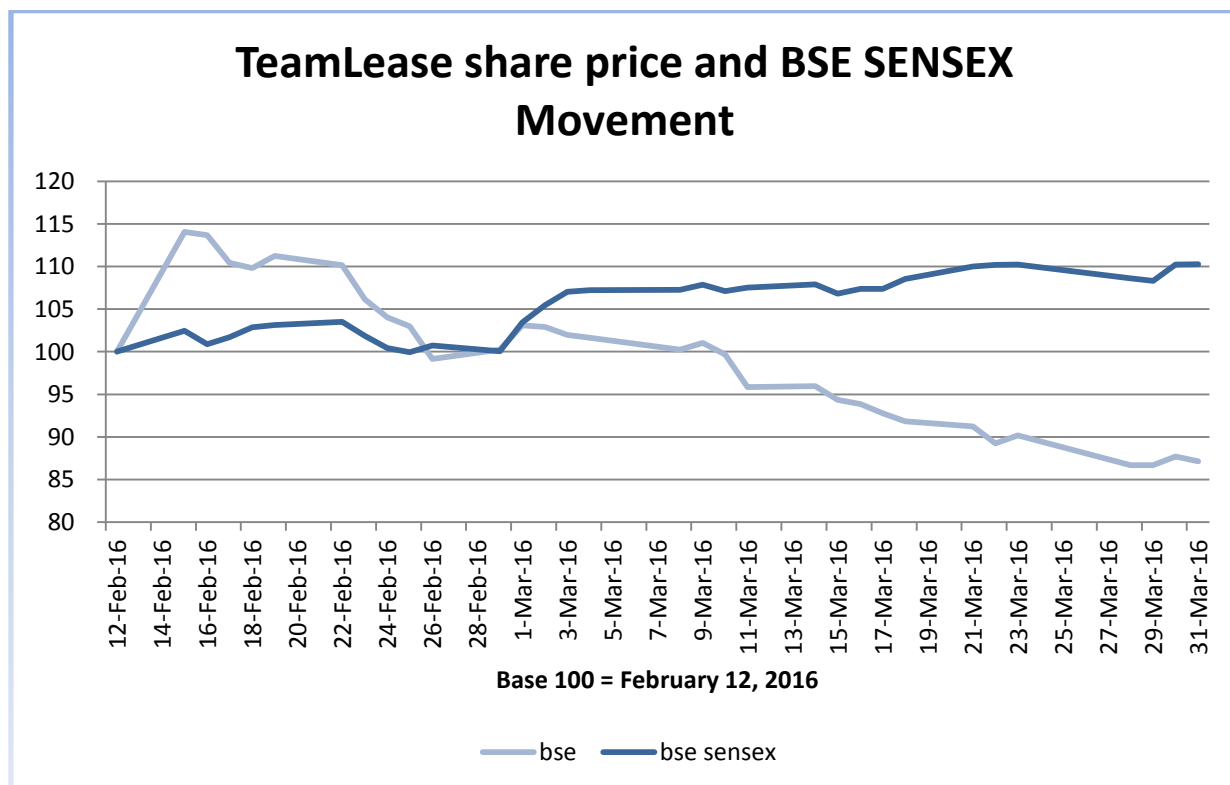
Listing Fees as applicable have been paid.

**Market Price Data:**

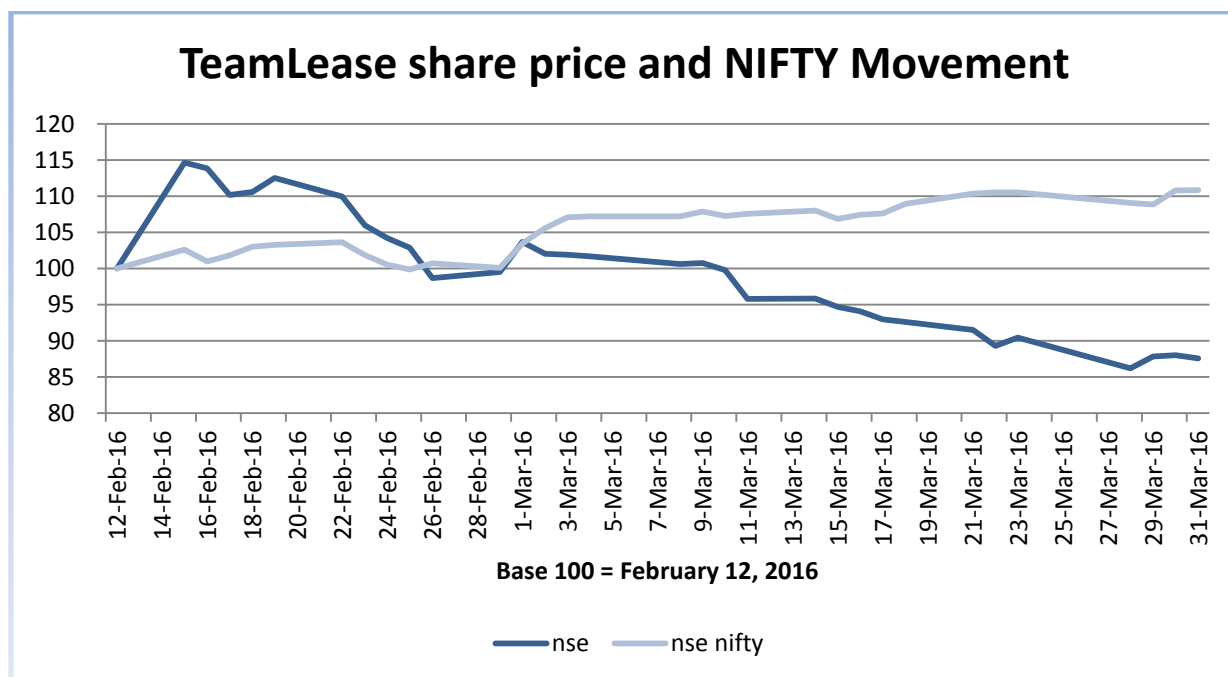
High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2015-16 on NSE and BSE:

Month*	NSE			BSE		
	High (Rs)	Low (Rs)	Total number of equity shares traded	High (Rs)	Low (Rs)	Total number of equity shares traded
Feb-16	1209.45	806.65	13,472,188	1207.7	805.9	3,773,164
Mar-16	1094.5	865.15	991,439	1093.5	856.5	433,282

\*The shares of the Company got listed w.e.f. February 12, 2016.

**Performance of the share price of the Company in comparison to the BSE SENSEX:**

### Performance of the share price of the Company in comparison to the NIFTY:



### 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:

M/S. KARVY COMPUTERSHARE PRIVATE LIMITED  
 Karvy selenium Tower B, Plot No. 31-32, Gachibowli,  
 Financial District, Nanakramguda, Hyderabad 500032.  
 Telengana, India.

Tel: +91 040 67162222

Fax: +91 040 23001153

Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

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 (Listing Obligations and Disclosure Requirements), 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](mailto: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.

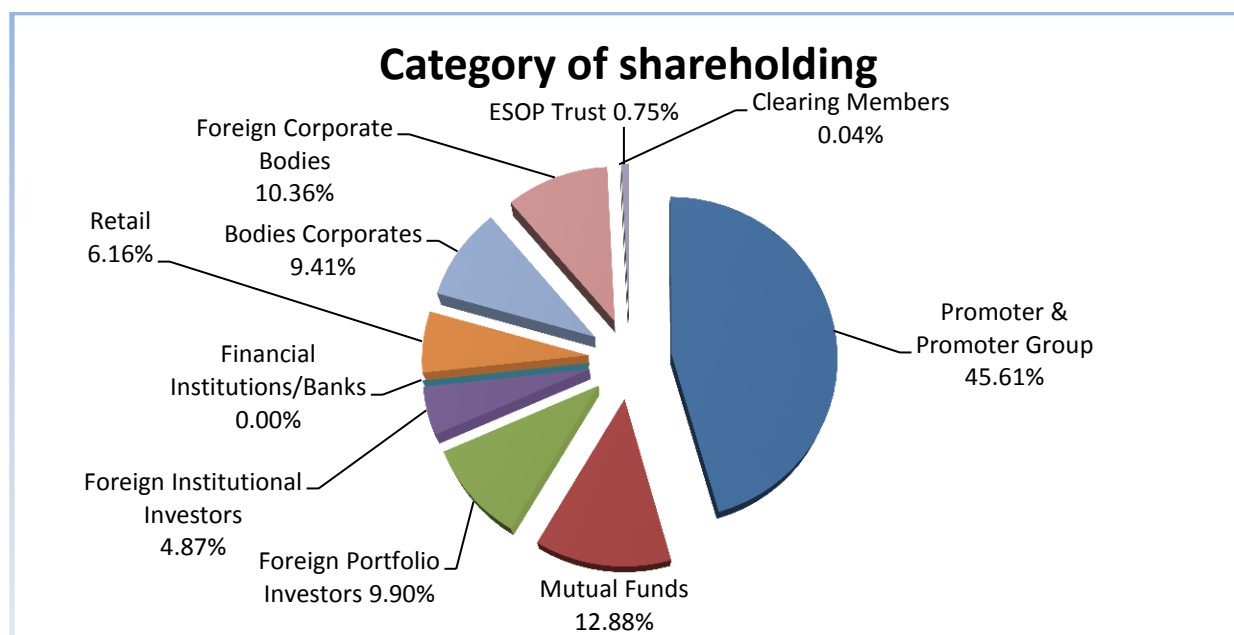
### SHAREHOLDING AS ON MARCH 31, 2016

#### a. Distribution of equity shareholding as on March 31, 2016:

Number of shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
Upto 5000	140,079	0.82%	6150	96.59%
5001 - 10000	39,921	0.23%	53	0.83%
10001 - 20000	60,670	0.35%	42	0.66%
20001 - 30000	55,354	0.32%	22	0.35%
30001 - 40000	24,624	0.14%	7	0.11%
40001 - 50000	46,320	0.27%	10	0.16%
50001 - 100000	125,738	0.74%	17	0.27%
100001 & above	16,604,063	97.12%	66	1.04%
<b>Total:</b>	<b>17,096,769</b>	<b>100.00%</b>	<b>6367</b>	<b>100.00%</b>

#### b. Category wise shareholding as on March 31, 2016:

Category	Number of equity shares held	Percentage of holding
Promoter & Promoter Group	7,798,650	45.61%
Mutual Funds	2,202,473	12.88%
Foreign Portfolio Investors	1,693,259	9.90%
Foreign Institutional Investors	832,698	4.87%
Financial Institutions/Banks	446	0.00%
Retail (Individual/HUF/NRI)	1,053,952	6.16%
Bodies Corporates	1,609,413	9.41%
Foreign Corporate Bodies	1,771,299	10.36%
Clearing Members	6,914	0.04%
TeamLease Employee Stock Option Plan Trust (ESOP Trust)	128,193	0.75%
<b>Grand Total</b>	<b>17,096,769</b>	<b>100.00%</b>



**c. Top ten equity shareholders of the Company as on March 31, 2016**

Sl. No	Name of the shareholder	Number of equity shareholders held	Percentage of holding
1	HR OFFSHORING VENTURES PTE LTD	5,426,579	31.74%
2	GPE (INDIA) LTD	1,771,299	10.36%
3	DHANA MANAGEMENT CONSULTANCY LLP	1,379,886	8.07%
4	INDIA ADVANTAGE FUND S3 I	1,022,137	5.98%
5	NED CONSULTANTS LLP	855,100	5.00%
6	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	672,427	3.93%
7	GOLDMAN SACHS INDIA FUND LIMITED	647,127	3.79%
8	DSP BLACKROCK EQUITY FUND	522,870	3.06%
9	NOMURA INDIA INVESTMENT FUND MOTHER FUND	506,409	2.96%
10	GAJA TRUSTEE COMPANY PVT LTD	413,519	2.42%

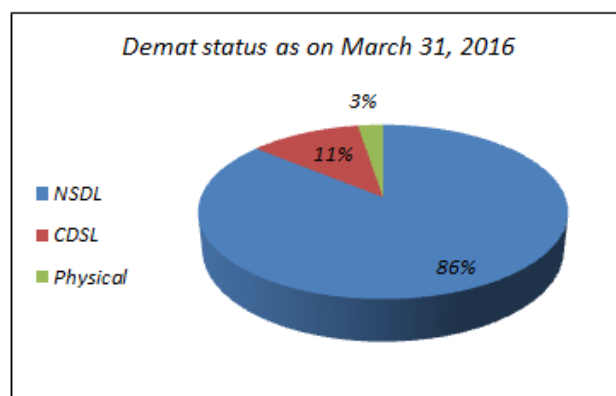
**Dematerialisation of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 97.40% of the Company's equity share capital are dematerialised as on March 31, 2016.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE9850S1024.

**Shares held in dematerialised status as on March 31, 2016:**

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	14697315	85.97%
Shares held in CDSL	1953924	11.43%
Shares held in Physical form	445530	2.61%

**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, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**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 <http://www.teamlease.com/contact-us>.

**Address for correspondence:**

TeamLease Services Limited  
6<sup>th</sup> Floor, BMTC Commercial Complex  
80 feet road, Kormangala,  
Bengaluru 560 095, Karnataka, India  
Tel: + 91 80 3300 2345, Fax: + 91 80 3324 3001  
Website: [www.teamlease.com](http://www.teamlease.com)  
E-mail: [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)

**OTHER DISCLOSURES:**

**a) Related party transactions:**

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link- <http://www.teamlease.com/compliance-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 2013-14, 2015-15 and 2015-16: NIL.**

**c) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link <http://www.teamlease.com/investors/corporate-governance/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 <http://www.teamlease.com/compliance-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 <http://www.teamlease.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 dematerialised 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, 2016. The annual report of the Company contains a certificate by the CEO and Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a. The auditors' report on statutory financial statements of the Company are unqualified.
- b. Mr. Manish Mahendra Sabharwal is the Chairman of the Company and Mr. Ashok Kumar Nedurumalli 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.

#### k) Disclosures with respect to demat suspense account / unclaimed suspense account: During the year the Company transferred 15 shares lying in unclaimed suspense account to the rightful owner of such shares.

### **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 by physical mode:**

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.

**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, 2016, 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 Kumar Nedurumalli  
Chief Executive Officer and Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016

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## **PRACTICING COMPANY SECRETARIES' COMPLIANCE CERTIFICATE**

### **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, 2016, 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 period February 12, 2016 (Date of Listing on stock exchanges) to March 31, 2016.

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: June 13, 2016

## MANAGEMENT DISCUSSION AND ANALYSIS

### Company Overview

TeamLease is one of India's leading providers of human resource services in the organized sector with a vision of putting India to work. Our services span the entire supply chain of human resources in India, covering aspects of Employment, Employability and Education. Our Employment services include temporary staffing solutions, permanent recruitment services and regulatory consultancy for labor law compliance; our Employability offerings include different types of learning and training solutions, including retail learning solutions, institutional learning solutions and enterprise learning solutions. All of our businesses operate on an asset-light model with low capital expenditure requirements. We have grown largely organically, driven by our strong operational and technological excellence. From time to time we also identify and complete acquisitions to improve operational synergies, acquire new clients or enter new sectors.

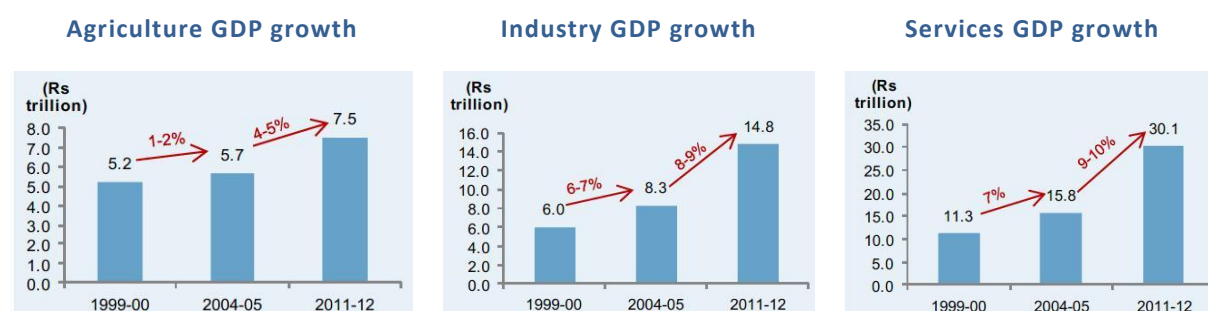
Our core business is providing staffing solutions across industry sectors and diverse functional areas. The majority of our Associate Employees are engaged in sales, logistics and customer service functions. We focus on people, processes and technology to enhance business productivity by enabling our clients to outsource their staffing requirements and allowing them to focus on operating and growing their core businesses. We provided employment to more than 1.2 million Associate Employees since inception and we have over 110,000 Associate Employees on our rolls as of March 31, 2016. We served over 1,400 clients in the month of March 2016 with a network of nine offices and 1,278 full-time employees across India. We are managed professionally by a high quality management team with deep extensive market and industry expertise, exhibiting thought leadership on matters of public policy.

Total operating revenue was Rs. 25,049.18 mn for FY2016 as compared to Rs. 20,070.70 mn in FY2015 reflecting an year-on-year increase of 24.8%. Operating EBITDA was Rs. 259.40 mn for FY2016 as compared to Rs. 220.56 mn in FY2015 reflecting an year-on-year increase of 17.6%. Profit Before Tax (PBT) was Rs. 373.08 mn for FY2016 as compared to Rs. 340.58 mn in FY2015 reflecting an year-on-year increase of 9.5%.

### Industry Structure & Development

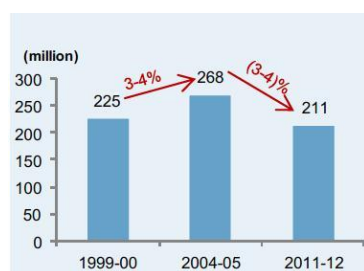
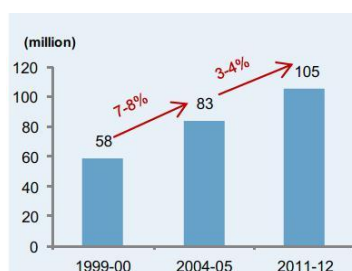
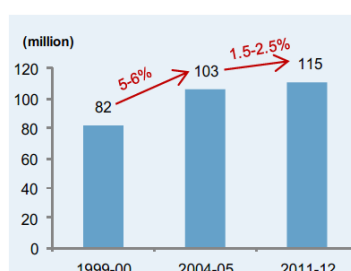
India's GDP growth is experiencing an upswing following a slump between 2010 and 2013. Estimates from various agencies suggest that the country's economy is gradually on the road to recovery. According to the World Bank India Development Update 2015, the Indian economy grew by 7.3% in fiscal 2015 and India is on course to overtake China to become the world's fastest growing major economy in the next two years.

In 2015-2016, GDP is estimated to grow by around 7.9%. As the economy recovers and grows, flexi-staffing is expected to become an integral part of the expansion plans of companies.



*Note : GDP numbers considered for 2004-05 base*

*Source:CSO, CRISIL Research*

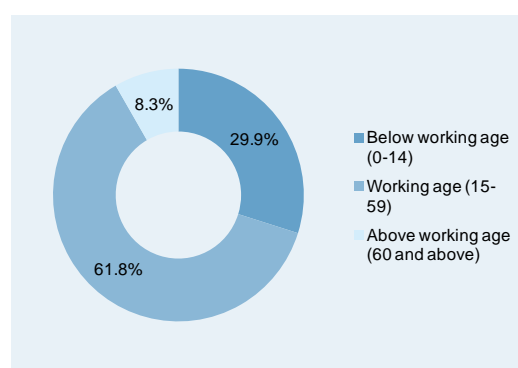
**Agriculture: Employment growth****Industry: Employment growth****Services: Employment growth**

*Note : As agriculture production is influenced by non-human factors (such as monsoon, etc), a lower employee base might yield higher overall agriculture income*

*Source: NSSO, CRISIL Research*

**Working group population and characteristics**

In India, people aged between 15 to 59 years are typically considered working age population. According to census data, this employable population has experienced a 24.7% growth between 2001 and 2011. This increase far exceeds the growth in India's general population for the same period of 17.7%. The proportion of India's population who are part of the working group population has risen from around 57% in 2001 to 62% in 2011-2012.

**Distribution of persons by age group (2011-2012)**

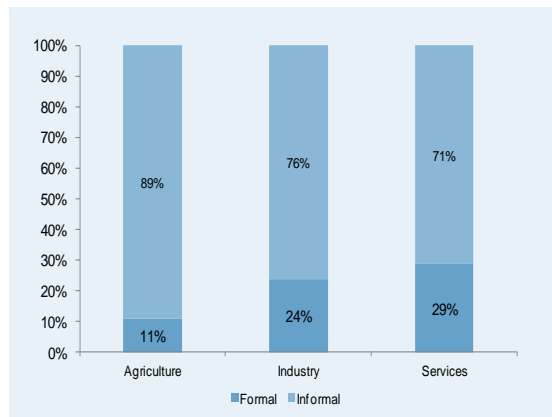
*Source: NSSO, CRISIL Research*

The majority of India's population is therefore potentially employable. They can be imparted with the training and skills to make them attractive to employers. As per census data, India's population reached 1,211 million in 2011. India's population therefore has great potential to meet the future demands of the world and become a global sourcing hub for skilled workforce.

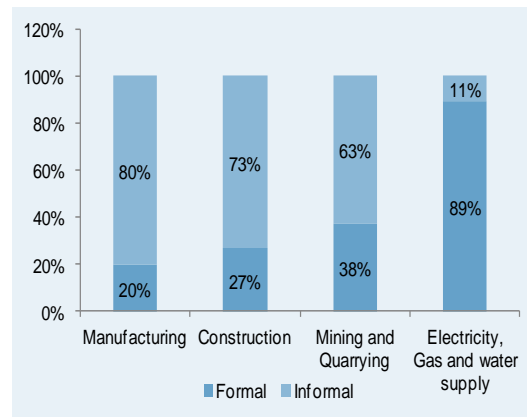
**Employment in formal vs informal sectors**

India's informal sector is currently driving employment. The informal sector comprises all unincorporated proprietary, partnership enterprises and enterprises whose activities or collection of data is not regulated under any legal provision and/or which do not maintain any regular accounts. About 80% of India's workers are in the informal sector, with particularly high levels of informal workers evident in the manufacturing and construction industries.

### Formal vs Informal employment by sector (2011-2012)



### Formal vs Informal employment in Industry (2011-2012)



Source: NSSO, CRISIL Research

The cumulative effect of low levels of literacy, less-than-adequate skill-sets, and lack of employment opportunities is a high level of self-employment, due to which informal employment dominates employment in most sectors. Complex and tough labour laws have hampered job creation in the formal sector. Many workers also prefer the higher take-home pay that the unorganised framework for a job can provide.

### Staffing industry transformation- Opportunities & Threats

India is the world's second largest labour market. Only around 10% of India's labour force works in formal employment. Redefining the nature of employment and having a greater amount of workers in formal employment will be critical if India's economic development is to become more broad-based, not only in terms of regions, but also in terms of social inclusion.

The biggest challenges confronting the Indian employment industry today, and thus the focus points for industry and the government are:

- bringing jobs to people wherever they are located;
- improving skill-sets of the workforce and ensuring employment generation keeps pace with rising literacy;
- regulatory measures to increase formalization of enterprises;
- reducing informal employment to increase social security;
- regulatory push towards formal employment; and
- the introduction of vocational education and training.

The transformation from formal to informal employment will happen in the following three phases-

- Phase 1: operations/risk/compliance
- Phase 2: hiring
- Phase 3: quality of employees

As the government and industry work to address the problems facing the employment sector in India, and to increase the rates of formal employment, there is likely to be huge opportunities generated for the flexi-staffing industry.

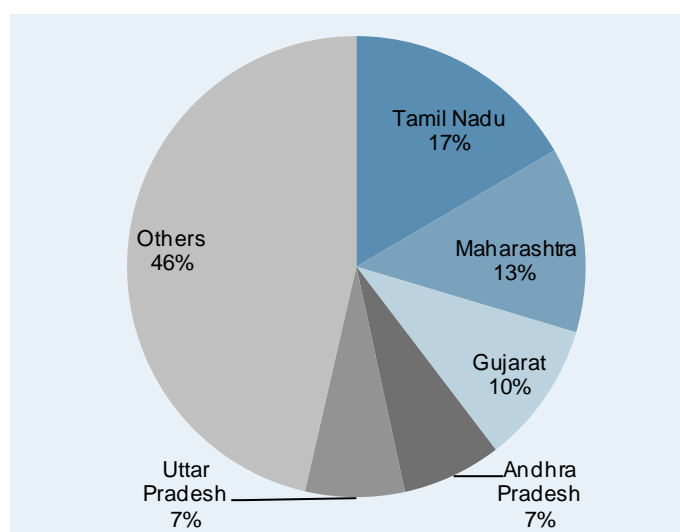
## Indian labour market transformation

India's poverty is about low productivity. India is on the cusp of a transformation of its five geographies of work.

- *Physical geography of work*

To boost their presence and meet demand for their products/services, companies are aggressively expanding in tier II and tier III cities. Finding the right manpower for such locations is a challenge. The vast employee requirement versus availability can also be seen from the high concentration of factories in select major states.

**Factories in operation across regions (2012-2013)**



Nearly 50 percent of factories are setup in five states which leads to significant demand-supply gap of workforce. Here flexi staffing plays a key role in taking jobs to people and people to jobs

Source: Annual Survey of Industries

India's physical landscape is still largely rural, with six lac villages (of which two lac have less than 500 people). Companies incur huge costs to locate, hire and then retrain the right talent. The government has recently announced that it was willing to fund and dedicate contracts to the business process outsourcing industry to create jobs in the North-east and tier II and III cities in the country. There are also 100 'smart cities' planned to be established. This will create jobs in locations outside the traditional industrialised areas.

- *Enterprise geography of work*

The total number of establishments in India is around 58 million, as per the 6th Economic Census. In the years ahead, the number of enterprises in the country will rise due to factors such as higher GDP growth, an expected increase in the share of establishments located in urban areas and regulatory policy initiatives to attract fresh industry to hitherto less-industrialised areas. Overall, this will lead to an increase in the number of formal enterprises and improve the migration of informal labour into the organized workforce.

- *Legislative geography of work*

India has a multitude of antiquated employment laws, which reflect dated attitudes and thinking. The number, complexity and outdated nature of these laws can operate to deter industry from giving permanent employment to people, leading to a greater number of jobs being created in the informal sector. Central government is committed to the reform of labour laws and the repeal of outdated legislation.

Recent regulation amendments in the interests of flexi-staffing industries include the ID Act, CLRA Act, the Factories Act and the Apprentices Act.

- *Education geography of work*

The government, end-use companies and staffing companies are all undertaking efforts to address the skill gap between companies' demand for skilled employees and the low skill availability. The government is undertaking a clear push for skills development. In 2009, the government adopted the National Skill Development Policy with the aim to skill/reskill 500 million people by 2022. The target of providing skills is split across 17 ministries and the National Skill Development Corporation (a non-profit organization focused on providing training).

Finally, various vocational skill programmes have been set up by various stakeholders joining together, such as the NETAP (enabled by TeamLease, the Confederation of Indian Industry, and the National Skill Development Corporation). These impart vocational training to employees, again further increasing their employability and attractiveness to end use companies.

- *Sectoral geography of work*

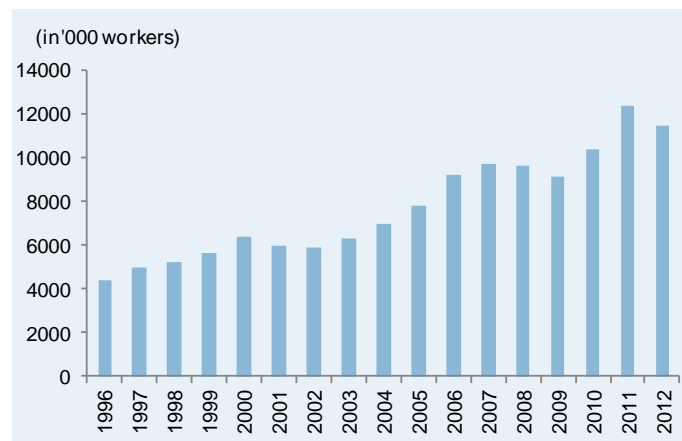
The low productivity of India's labor force working in agriculture means that most of India's self-employed are part of India's working poor; people who make enough money to live but not enough money to get out of poverty.

Only 11% of the labour force works in manufacturing, which is the same percentage as in post-industrial United States. The government aims to double the labour force working in manufacturing. This will create opportunities for flexi-staffing companies to provide the required workers.

### Flexi Staffing Industry Overview

Globally, the staffing industry has grown considerably over the past few years. According to the CIETT Economic Report 2014, the industry size had reached 11.5 million workers by the end of 2012. Thus, despite the slump in the aftermath of the financial crisis, and the resultant economic slowdown, the industry still had a 7% growth rate over the last decade.

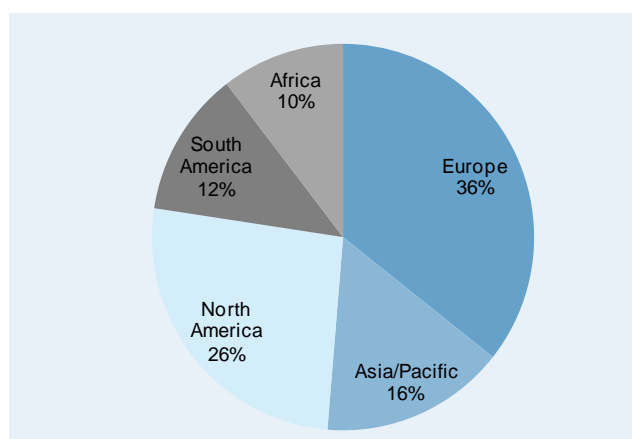
**World Flexi Staffing Industry Size**



*Source: CIETT Economic Report 2014; based on data from 43 countries for which data is available*

Amongst 11.5 million workers, Europe employed the largest number of people in 2012. South America and North America represented around 38% of the total number of workers. The Asia/Pacific region employs another 16%.

### Geographical breakdown (2012)



Source: CIETT Economic Report 2014; based on data from 43 countries for which data is available

In 2012, India's flexi-staffing penetration rate based on the total workforce was only 0.3%. It is therefore an acutely underpenetrated market, with vast opportunities. There is a growing awareness among corporates globally of the advantages of flexi-staffing. Over the next few years, this will encourage more companies to consider flexi-staffing as a viable employment option.

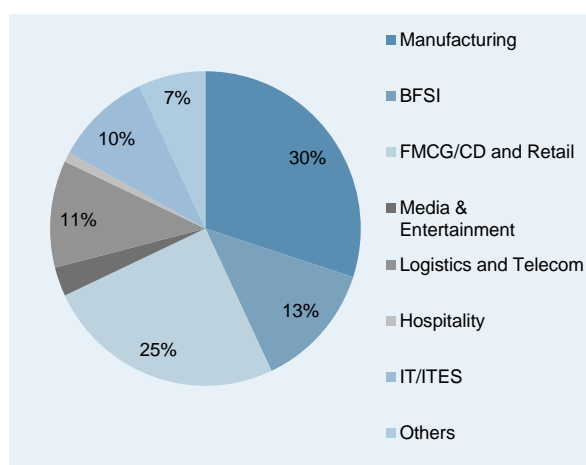
### Indian flexi-staffing industry overview

A gradual movement towards a more formal set up to employment is anticipated to occur due to various factors such as the increasing number of enterprises turning formal, skills development and regulatory amends in favour of formal and flexi-staffing industries. There are opportunities for the flex-staffing industry to take advantage of across various segments of employment.

### Overall current industry size

- **Employment numbers:** In 2013-14, it is estimated that the employees in the flexi-industry was between 1.6-1.8 million.
- **Penetration levels:** Based on the total workforce, penetration levels for 2013-14 are estimated to be 0.4%.
- **Segmental mix:** The segmental mix in the flexi-staffing industry for the years 2011-2012 was follows:

### Segmental Mix (2011-2012)



Source: CRISIL Research

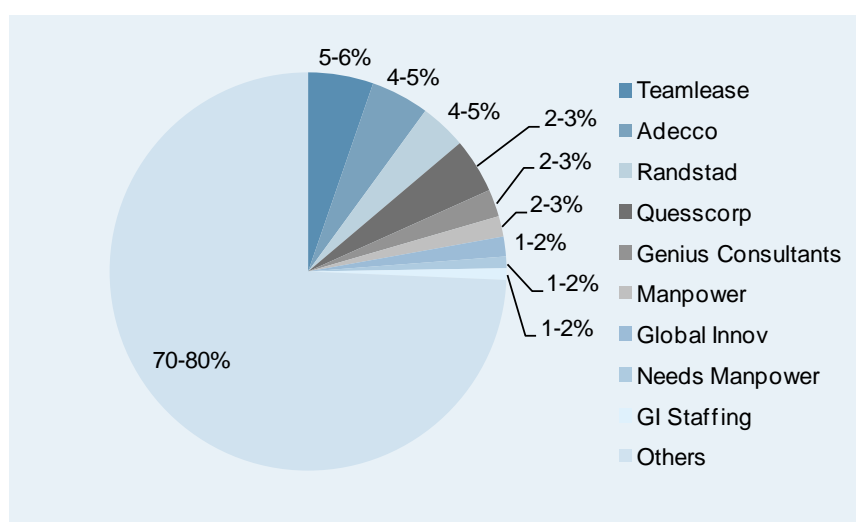
- **Industry size:** The flexi-staffing industry in India as of 2013-2014 in value terms is around ` 180-220 billion. The average wages of flexi-staffing worker is assumed to be around `8,000-10,000 (which reflects weighted average wages for organised and unorganised players).

### Industry structure & competition

Flexi-staffing companies operate using a tri-partite agreement between the flexi-worker, the staffing intermediary and the end user. The flexi-staffing company receives a percentage of every employee's salary, remuneration and other applicable benefits.

The flexi-staffing industry is marked by the presence of many large multinationals (such as Adecco, Randstad and Manpower) and Indian players (such as TeamLease, Quesscorp, Innov, etc.). However, the industry in India remains largely fragmented, with small and medium players accounting for nearly 70-80% of the overall industry.

Market share of players by number of associates (2014)



Source: CRISIL Research

The absence of strict compliance and regulations pertaining to the flexi-staffing industry has led to the entry of many unorganised players, who often discard the cost of compliance and, as a result, offer employees at a relatively economical cost compared to organised flexi-staffing companies who follow all the compliance procedures and incur the reflective costs. The use of these unorganised players is particularly common in certain industries, such as manufacturing. The flexi-staffing industry is therefore relatively fragmented.

### Market Outlook

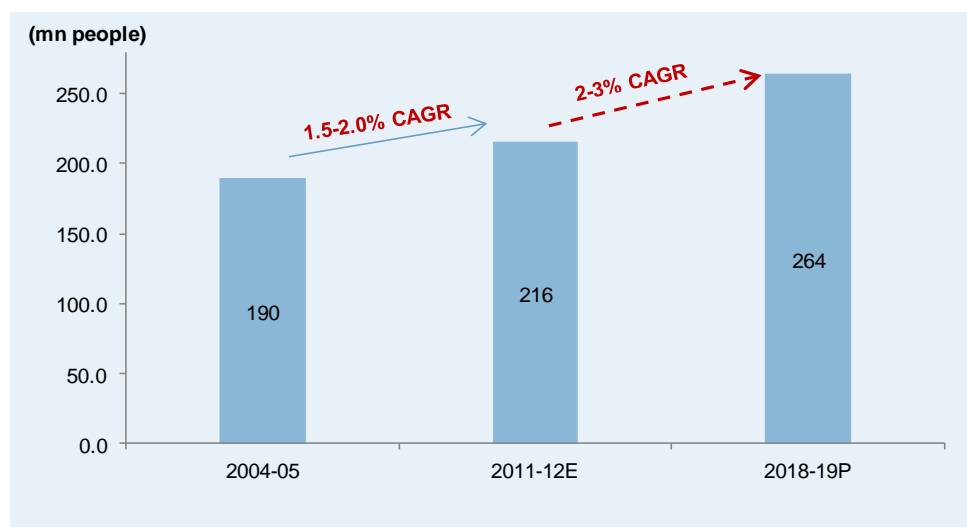
#### Overall current industry growth

- **Employment**

The overall workforce is expected to grow at a CAGR of 2-3% during 2011-12 to 2018-2019. Sectors such as manufacturing, financial, real estate and business services and retail will continue to have a relatively higher proportion of the workforce. Sectors such as IT enabled services and banking, financial services and insurance are expected to have relatively higher growth in overall employment as compared to other sectors.



### Total Industry Employment (Data excludes employment in Agriculture)

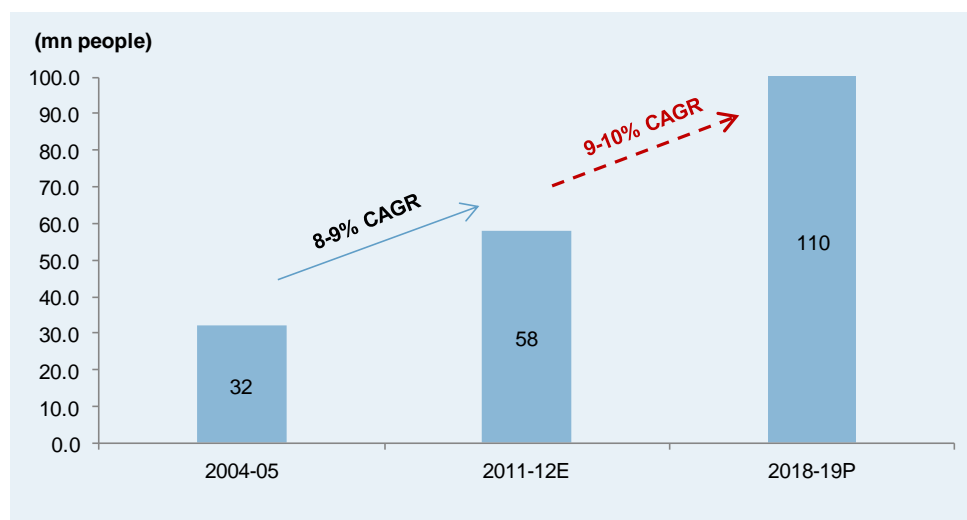


1. Note: E: Estimated; P: Projected

Source: CRISIL Research

The formal workplace is expected to grow at a CAGR of 9-10% during 2011-2012 to 2018-2019. This increase will be across sectors as newer labour laws come into force, and the general overall workforce grows. Apart from manufacturing, which is expected to constitute a large amount of the overall formal employee base, sectors such as fast moving consumer goods and logistics are expected to account for a significant proportion of the formal workforce.

### Formal Industry market size (Data excludes employment in Agriculture)

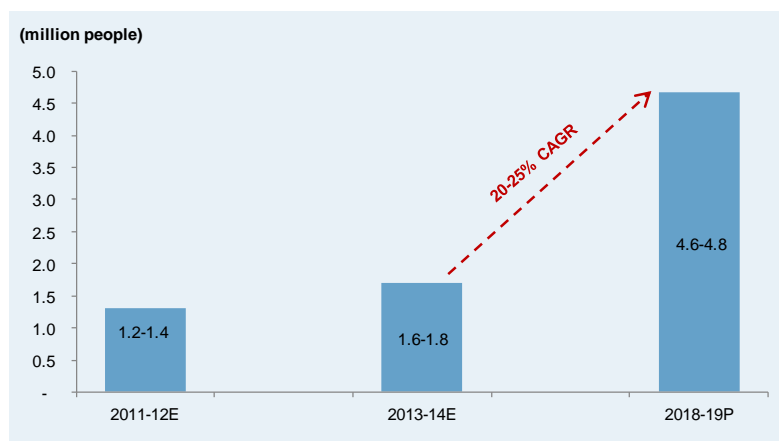


2. Note: E: Estimated; P: Projected

Source: CRISIL Research

Finally, flexi-staffing is expected to grow at a CAGR of around 20-25% between 2013-2014 and 2018-2019. Although there are new upcoming sectors such as e-commerce that will create fresh demand for flexi-staffing in India, the dominance of manufacturing (which has large proportion of unorganised players) in the industry will increase. Amendments to labour laws will increase the occurrence of flexi-staffing being used.

### Total Flexi-staffing industry size



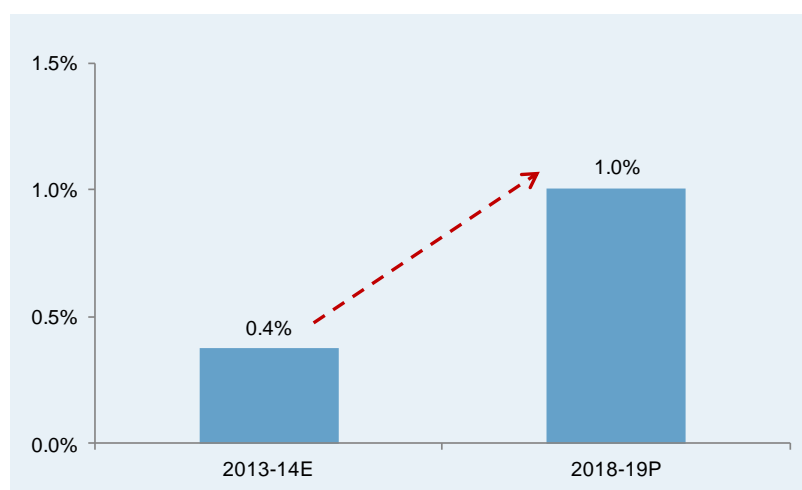
3. Note: E: Estimated; P: Projected

Source: CRISIL Research

- Penetration of flexi staffing within overall employment

The penetration of flexi-staffing is expected to witness strong growth owing to various factors which include increasing number of enterprises turning formal, skill development and regulatory amendments in favour of formal and flexi-staffing industry. The initiatives taken by the flexi-staffing industry, such as training services, are also likely to add to the industry growth over the long term. The growth in penetration levels expected to be witnessed over the next 5 years is largely in line with many global economies who witnessed similar growth pattern.

### Penetration of flexi staffing within overall employment



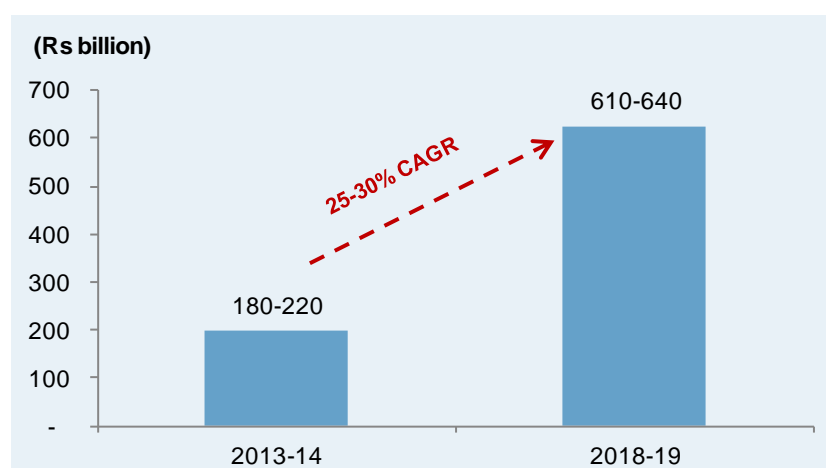
Source: CRISIL Research

Note: Flexi staffing penetration is based on total workforce

- Industry size

The flexi-staffing industry in India as of 2013-2014 in value terms was around 180-220 billion. The average wages for the flexi-staffing workers is assumed to be around ₹ 8,000-10,000 (which reflects weighted average of wages for organised and unorganised players). Over the next 5 years, the flexi-staffing industry is expected to grow by 25-30% to attain a value of around ₹ 610-640 billion.

Total Flexi-staffing industry size (in Rs billion)



Source: CRISIL Research

This growth is owing to various factors, including an increasing number of enterprises turning formal, skill development and regulatory amendments in favour of formal employment.

- *Segmental mix*

Over the long term, it is expected that the manufacturing sector will increase the outsourcing of its labour force to third-party staffers. The other end-use sectors are expected to largely remain stable, except for a sharp decline in the retail segment owing to the large-scale increase in e-retailing. Nevertheless, fast moving consumer goods & retail are expected to constitute a significant proportion of the overall flexi-staff industry due to end-use size.

The IT segment is expected to drive flexi-staffing demand in the future. The need for technically upgraded skill-sets coupled with the high cost of acquiring talent is expected to encourage the industry to consider flexi-staffing as a potential solution.

### Business Strategy

Our business strategy is to grow our business by increasing the scale and reliability of our business, and building trust with our Associate Employees and Clients. The individual components of our business strategy are set forth below:

1. Develop new areas of growth by diversifying service offerings across the human resources value chain (adjacent services);
2. Achieving scale in staffing through technology, operational excellence, compliance, business development and hiring capabilities;
3. Continue to grow through strategic acquisitions and expand to high margin services; and
4. Maintain capital light and asset light business model.

### Risk Management and Internal Controls

Our enterprise risk management programme (ERM) involves risk identification, assessment and risk mitigation planning for financial, operational and compliance related risks across business units. Compliance management has been significantly strengthened by the deployment of an integrated compliance management and governance framework. The risk reports prepared by the Chief Risk Officer are reviewed by the management at regular intervals. The Company maintains adequate internal control system, which provides, *inter-alia*, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against significant misuse or loss of Company's assets. A robust internal financial control framework is deployed and reported to the board of directors periodically.

Some of TeamLease key risks and their corresponding mitigation strategy have been highlighted below:

Key Risk	Impact of risk	Mitigation/Strategy
Competition Risk	We operate in a highly competitive and fragmented industry with low barriers to entry and may be unable to compete successfully against existing or new competitors, particularly in the unorganized segment.	Our continued success depends on our ability to compete effectively against our existing and future competitors. The Company has deep domain knowledge, delivery capabilities and efficient sales force help retain its competitive positioning amongst peers.
Global economic scenario	Demand for staffing services is significantly affected by the general level of commercial activity and economic conditions in the regions and sectors in which we operate. An economic downturn in a region or sector in which we operate may adversely affect our operations in that region or sector, as the use of temporary employees may decrease or fewer permanent employees may be hired.	TeamLease has been in the flexi staffing business for over 14 years and has been managing the fluctuations in general economic activity. We have a well-diversified and de-risked business mix across industries and verticals.
Extensive Government Regulations	The staffing services sector is subject to complex laws and regulations. These laws and regulations cover the following such as Minimum Wages Act, ESI Act, CLRA Act, EPF Act and ID Act, which vary from state to state in India and are subject to change. Changes in laws or government regulations may result in prohibition or restriction of certain types of employment services, or the imposition of new or additional licensing or tax requirements that could reduce our revenues and earnings.	The Company has adequate and well defined business contingency plans to deal with the changing regulatory environment. We have an in-house regulatory team of over 90 employees to deal with all applicable labour laws and compliances.
M&A and Integration Risk	M&A's and its integrations by nature involve risks relating to failure to achieve strategic objectives, financial loss, cultural and financial integration etc. We may be unable to fully realize the anticipated benefits of any future acquisitions successfully or within our intended timeframe.	The company has well laid out plans and acquisition policy. It uses M&A to fill up gaps in its portfolio of competency/ services, verticals and client access. The company undertakes extensive due diligence and deals are evaluated by the board.
Attrition	We must continually evaluate our base of available qualified personnel to keep pace with changing client needs. There can be no assurance that qualified personnel will continue to be available in sufficient numbers and on terms of employment acceptable to us.	Flexi staffing business is subject to high attrition rate among the temp resources. The company assigns targets to its sales force post considering the impact of attrition.
Operational Risks	Our ability to operate our business, maintain our competitive position and implement our business strategy is dependent to a significant extent on our operational excellence and back-end HR support.	Our core management team oversees the day-to-day operations, implementation of strategy and growth of our business. We make continuous investments in technology to improve quality and productivity.

## Financial Performance:

Rs. in millions

PARTICULARS	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	25,049.18	20,070.70	25,049.18	20,070.70
Other Income	147.68	148.15	154.40	113.90
<b>Total Revenue</b>	<b>25,196.87</b>	<b>20,218.85</b>	<b>25,203.59</b>	<b>20,184.60</b>
Profit before finance cost, depreciation and taxes	407.08	368.72	412.21	354.43
Provision for Depreciation	30.08	26.75	30.08	27.15
<b>Profit before Finance Cost and Tax</b>	<b>377.00</b>	<b>341.97</b>	<b>382.13</b>	<b>327.28</b>
Finance Cost	3.92	1.39	3.92	1.39
<b>Profit Before Tax</b>	<b>373.08</b>	<b>340.58</b>	<b>378.21</b>	<b>325.89</b>
Provision for Tax	130.22	18.04	130.22	18.04
<b>Profit After Tax</b>	<b>242.86</b>	<b>322.54</b>	<b>247.99</b>	<b>307.85</b>
Balance available for appropriation	242.86	322.54	247.99	307.85
<b>Surplus carried to Balance Sheet</b>	<b>242.86</b>	<b>322.54</b>	<b>247.99</b>	<b>307.85</b>
Earnings Per Share:				
<b>-Basic &amp; Diluted</b>	<b>15.59</b>	<b>21.04</b>	<b>15.92</b>	<b>20.08</b>

## Standalone Year-on-Year Growth:

PARTICULARS	FY2016	FY2015	YoY change
Operating Revenue	25,049.18	20,070.70	24.8%
EBITDA	259.40	220.56	17.6%
EBITDA margin (%)	1.0%	1.1%	
PBT	373.08	340.58	9.5%
PBT margin (%)	1.5%	1.7%	
Net Profit (PAT)	242.86	322.54	-24.7%
PAT margin (%)	1.0%	1.6%	

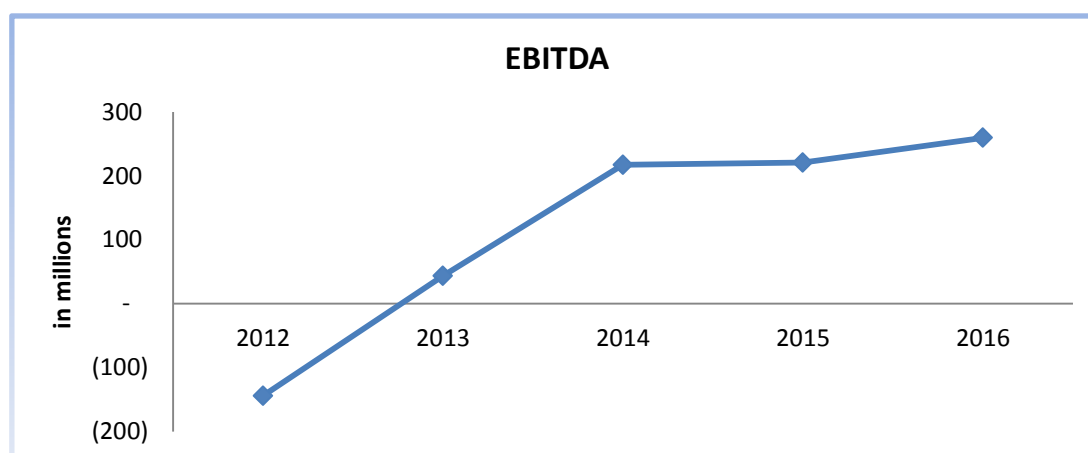
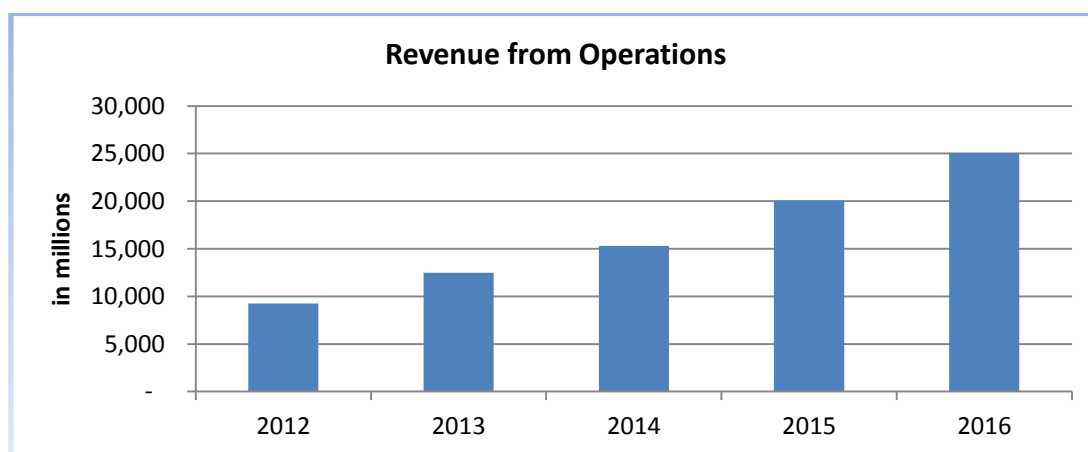
## Consolidated Year-on-Year Growth:

PARTICULARS	FY2016	FY2015	YoY change
Operating Revenue	25,049.18	20,070.70	24.8%
EBITDA	257.81	240.52	7.2%
EBITDA margin (%)	1.0%	1.2%	
PBT	378.21	325.89	16.1%
PBT margin (%)	1.5%	1.6%	
Net Profit (PAT)	247.99	307.85	-19.4%
PAT margin (%)	1.0%	1.5%	

## Highlights of FY2016

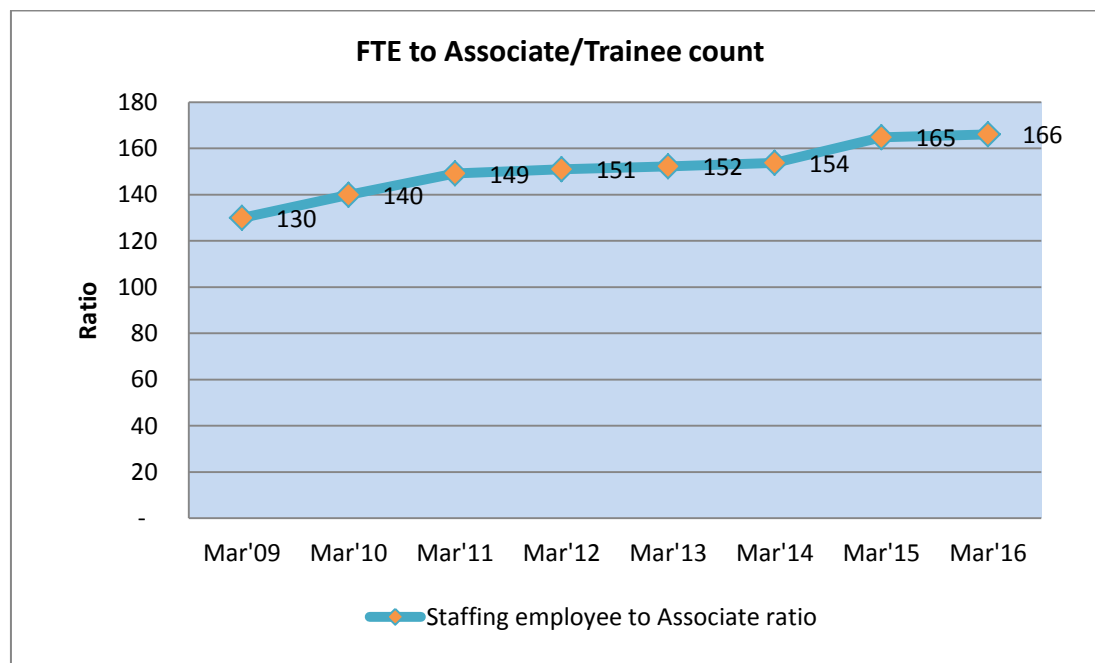
1. During FY2016, we had a net increase in associate headcount by over 14,000 on an opening balance of 94,647. We crossed 110,000 employee counts, including both core employees and associate employees as of March 31, 2016.
2. Our average mark-up per associate per month increased by 7% from Rs. 642 in FY15 to Rs. 687 in FY16..
3. Our total client base increased from 1,200+ in FY2015 to 1,400+ in FY2016 spreading across all industries and verticals. Our Top 5 and Top 10 clients contribute to about 13% and 18% of our net revenue respectively, implying a well-diversified mix of client portfolio.
4. Our apprenticeship program, launched through TeamLease Education Foundation (TLEF), crossed 16,000 apprentice enrolments during FY2016 of which about 4,000 trainees have been certified during the year, leaving a year-end number of about 11,500 trainees. During the year, the average realization per apprentice per month is Rs. 540 for TLEF, of which Rs. 450 is the service fee paid to TeamLease.
5. Our allocated fixed costs (exclusive of employee cost) remained flat in line with the past. During the year, our core employee costs increased on account of increase in headcount, annual inflation and additions to the leadership team as investments into the future.

## Growth at a Glance



### Improvement in Productivity

Our key technology platform, ALCS 10.0, went live in February 2016 and we signed up for implementation of a Salesforce CRM platform in March 2016. We also launched our mobile app 'TL Connect' for clients and associates during Q3 of the year. These investments in technology will help us improve the productivity and quality of our services.



### Segment results:

All of our HR service businesses have turned positive during the year at both EBITDA and PBT level.

Business Segments	FY2016		FY2015		YoY change
<b>Operating Revenue:</b>					
(1) Staffing Operations	24,681.87	98.50%	19,731.36	98.30%	25.10%
(2) Other HR services	367.31	1.50%	339.34	1.70%	8.20%
<b>Total Income from operations (net)</b>	<b>25,049.18</b>		<b>20,070.70</b>		<b>24.80%</b>
Other Income	147.68		148.15		
<b>Total Revenue</b>	<b>25,196.87</b>		<b>20,218.85</b>		<b>24.6%</b>
<b>Segment EBITDA:</b>					
(1) Staffing Operations	302.71	1.20%	224.11	1.10%	1.10%
(2) Other HR services	25.3	6.90%	22.26	6.60%	130.50%
Corporate costs (unallocated)	-68.61		-25.81		
<b>Total EBITDA</b>	<b>259.4</b>	<b>1.00%</b>	<b>220.56</b>	<b>1.10%</b>	<b>17.60%</b>
<b>Segment PBT:</b>					
(1) Staffing Operations	290.92	1.20%	224.11	1.10%	29.80%
(2) Other HR services	25.26	0.10%	18.95	5.60%	171.00%
Corporate unallocated (Net)	56.9		97.51		-41.6%
<b>Profit before tax (PBT)</b>	<b>373.08</b>	<b>1.50%</b>	<b>340.58</b>	<b>1.70%</b>	<b>9.50%</b>

### **Human Resource Management**

The Company's HR practices have been based on the values of merit and equal opportunity. The Company follows best practices to attract, train and retain the resource pool. With utmost respect to human values, the Company served its human resources with integrity, through a variety of services by using appropriate training, motivation techniques and employee welfare activities.

Note: Statements in this "Management's Discussion and Analysis" report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global conditions, changes in the Government regulations, tax regimes, economic developments and other factors such as litigation, change in climate etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events or otherwise.



## 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 : U74140MH2000PLC124003
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.teamlease.com](http://www.teamlease.com)
5. E-mail id : [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)
6. Financial year reported : April 1, 2015 to March 31, 2016
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	(Rs. in Millions)	
		FY2015-16	
		Standalone	Consolidated
1	Paid-up Capital	170.97	170.97
2	Total Turnover	25,196.87	25,203.59
	Revenue from Operations	25,049.18	25,049.18
	Other Income	147.68	154.40
3	Profit After Tax	242.86	247.99

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 Non-executive Director
2	Ashok Kumar Nedurumalli	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	<a href="mailto:ravi.vishwanath@teamlease.com">ravi.vishwanath@teamlease.com</a>

### 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 are as follows:

Principle 1: Ethics, Transparency and Accountability [P1]  
 Principle 2: Products Lifecycle Sustainability [P2]  
 Principle 3: Employees' Well-being [P3]  
 Principle 4: Stakeholder Engagement [P4]  
 Principle 5: Human Rights [P5]

Principle 6: Environment [P6]  
 Principle 7: Policy Advocacy [P7]  
 Principle 8: Inclusive Growth [P8]  
 Principle 9: Customer Value [P9]

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.

### CEO and CFO Certification

To,  
The Board of Directors,  
TeamLease Services Limited

We, Ashok Kumar Nedurumalli, 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, 2016 and to the best of our knowledge and belief :
  - a. these statements do not contain any materially untrue statement or omit any material fact 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 31st March, 2016 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.

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Ravi Vishwanath  
Chief Financial Officer

Place: Bangalore  
Date: June 13, 2016



# FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TeamLease Services Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **TeamLease Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements- Refer Note 26 (a).
    - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts. The Company did not have any derivative contracts as at March 31, 2016.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

Place: Bangalore  
Date: May 23, 2016

Partha Ghosh  
Partner  
Membership Number 055913



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of TeamLease Services Limited on the standalone financial statements for the year ended March 31, 2016

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of TeamLease Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

Place: Bangalore  
Date: May 23, 2016

Partha Ghosh  
Partner  
Membership Number 055913

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of TeamLease Services Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management once in 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to this, no physical verification was carried out by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any, have been properly dealt with in the books of account.
- (c) The Company does not own any immovable properties as disclosed in Note 10 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. 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. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provision of Section 186 of the Companies Act 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. Therefore, the provisions of Clause 3(iv) of the said Order with respect to Section 185 of the Companies Act, 2013 is not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of professional tax, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees state insurance, income tax and service tax with the appropriate authorities and regular in depositing undisputed statutory dues, including sales tax, duty of customs, duty of excise, and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2016, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Professional Tax (various states)	Professional Tax	2,544,840	Financial Year 2011-12 and 2013-14	Financial Year 2011-12 and 2013-14	Unpaid

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, sales tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	75,705,754 #	April 2006 to December 2008	The Custom, Excise and Service Tax Appellate Tribunal
		14,941,812	April 2007 to September 2010	The Supreme Court of India
Income Tax Act, 1961	Tax Deducted at Source	770,794	2010-11	The Commissioner of Income Tax (Appeals)

# excludes interest on service tax

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, during the year, the Company has raised monies by way of initial public offer (IPO) of equity shares in India and the same has not been deployed as on the reporting date. The Company has kept the net proceeds from IPO in current account and fixed deposits with the scheduled commercial banks and the same has been disclosed by way of note in the standalone financial statements (refer note 35 to the standalone financial statements). The Company has not raised any moneys by way of further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable with respect to further public offer (including debt instruments) and term loans.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him/ her within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

Place: Bangalore  
Date: May 23, 2016

Partha Ghosh  
Partner  
Membership Number 055913

## Balance Sheet as at March 31, 2016

		As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
	<b>Notes</b>		
<b>Shareholders' Funds</b>			
Share Capital	3	170,967,690	5,110,688
Reserves and Surplus	4	2,930,591,585	1,473,968,422
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	5	49,721,719	52,342,010
Long-Term Provisions	6	282,569,617	175,674,728
<b>Current Liabilities</b>			
Short-Term Borrowings	7	193,615,743	-
Other Current Liabilities	8	2,048,343,039	1,317,030,396
Short-Term Provisions	9	92,732,541	89,975,706
<b>Total</b>		<b>5,768,541,934</b>	<b>3,114,101,950</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		17,651,523	14,915,612
Intangible Assets		70,059,457	14,268,187
Intangible Assets Under Development		-	41,867,275
Non-Current Investments	11	23,715,296	23,715,296
Deferred Tax Asset	12	45,387,947	57,198,963
Long-Term Loans and Advances	13	610,748,092	432,320,247
Other Non-Current Assets	14	294,288,356	167,171,191
<b>Current Assets</b>			
Inventories	15	2,344,258	2,171,522
Trade Receivables	16	1,204,641,558	812,146,031
Cash and Bank Balances	17	2,585,820,760	1,142,812,695
Short-Term Loans and Advances	18	176,287,836	96,542,680
Other Current Assets	19	737,596,851	308,972,251
<b>Total</b>		<b>5,768,541,934</b>	<b>3,114,101,950</b>

Significant Accounting Policies

2

The accompanying notes are an integral part of these Financial Statements.

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S / S- 200012  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**  
Partner  
Membership No: 055913

**Ashok Kumar Nedurumalli**  
Managing Director  
DIN: 00151814

**Latika Prakash Pradhan**  
Director  
DIN: 07118801

**Ravi Vishwanath**  
Chief Financial Officer

**Mruthunjaya Murthy**  
Company Secretary  
CSN: 11766

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016

## Statement of Profit and Loss for the year ended March 31, 2016

		For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>Revenue</b>	<b>Notes</b>		
Revenue from Operations (Gross)		28,509,041,505	22,504,088,477
<b>Less:</b> Service Tax		3,459,857,212	2,433,390,519
Revenue from Operations (Net)	20	25,049,184,293	20,070,697,958
Other Income	21	147,683,013	148,152,423
<b>Total Revenue</b>		<b>25,196,867,306</b>	<b>20,218,850,381</b>
<b>Expenses</b>			
Employee Benefits Expense	22	24,390,459,940	19,444,379,511
Finance Costs	23	3,921,440	1,388,332
Depreciation and Amortization Expense	24	30,076,660	26,749,880
Other Expenses	25	399,327,276	405,754,902
<b>Total Expenses</b>		<b>24,823,785,316</b>	<b>19,878,272,625</b>
<b>Profit before Tax</b>		<b>373,081,990</b>	<b>340,577,756</b>
<b>Tax Expense</b>			
Current Tax		118,412,691	75,238,598
Deferred Tax (net)		11,811,016	(57,198,963)
<b>Profit for the year</b>		<b>242,858,283</b>	<b>322,538,121</b>
Earnings Per Equity Share (Nominal Value per Equity share - Rs 10 (March 31, 2015- Rs 10))	28		
<b>Basic and Diluted</b>		<b>15.59</b>	<b>21.04</b>

Significant Accounting Policies

2

The accompanying notes are an integral part of these Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 007567S / S- 200012

Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**

Partner

Membership No: 055913

**Ashok Kumar Nedurumalli**

Managing Director

DIN: 00151814

**Latika Prakash Pradhan**

Director

DIN: 07118801

**Ravi Vishwanath**

Chief Financial Officer

**Mruthunjaya Murthy**

Company Secretary

CSN: 11766

Place : Bangalore

Date : May 23, 2016

Place : Bangalore

Date : May 23, 2016

## Cash Flow Statement for the year ended March 31, 2016

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<b>A Cash flow from Operating Activities:</b>		
<b>Profit before Tax</b>	<b>373,081,990</b>	<b>340,577,756</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	30,076,660	26,749,880
Interest paid on bank loans and others	3,921,440	1,388,332
Dividend Income on Mutual Fund Investments	(2,304,307)	(3,303,606)
Interest income on fixed deposits	(89,200,616)	(79,712,983)
Interest income on loan to related parties	(10,033,036)	(3,137,955)
Interest on Income Tax Refunds	-	(15,561,110)
Loss on sale on fixed assets (Net)	-	342,290
Profit on slump sale	-	(603,896)
Liabilities no longer required written back	(15,483,913)	(23,677,017)
Provision for doubtful debts no longer required written back	(27,049,188)	(14,861,132)
Provision for diminution in the value of long term investments and Provision for doubtful advances	103,924	2,329,713
Bad Debts written off (net of related provision for doubtful debts written back)	8,760,473	7,213,859
Sundry balances written off	653,171	6,108,024
Provision for Bad and Doubtful Debts	16,401,009	29,501,361
Provision for gratuity	7,288,892	5,362,637
Provision for leave encashment	10,925,204	8,490,652
Write off of course ware materials	-	122,970
<b>Operating income before working capital changes</b>	<b>307,141,703</b>	<b>287,329,775</b>
<b>Changes in working capital:</b>		
Increase in other current and long-term liabilities	744,176,265	321,559,706
Increase in short term and long term provisions	91,437,628	63,376,972
(Increase) in other non-current assets	(99,930,732)	(43,950,609)
(Increase) in other current assets	(440,653,233)	(55,564,800)
(Increase) in trade receivable	(390,607,821)	(245,227,586)
(Increase)/decrease in inventories	(172,736)	151,620
(Increase)/ decrease in long term loans and advances	(6,482,190)	2,965,386
(Increase) in short term loans and advances	(51,327,006)	(5,774,655)
<b>Cash generated from operations</b>	<b>153,581,878</b>	<b>324,865,809</b>
Taxes (paid) / refunded (net)	(264,303,130)	16,783,110
<b>Net cash (used in)/generated from Operating Activities (A)</b>	<b>(110,721,252)</b>	<b>341,648,919</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of tangible, intangible and intangible assets under development (Refer Note 10.1(3) and 10.2)	(46,736,566)	(37,756,353)
Proceeds from sale of tangible and intangible fixed assets	-	575,922
Proceeds from sale of Mutual Fund units	1,202,304,307	1,378,303,606
Purchase of Mutual Fund units	(1,200,000,000)	(1,375,000,000)
Investment in Fixed Deposits (Net)	(1,195,229,407)	(189,696,761)
Repayment of loans and advances by related parties	6,940,062	5,039,295
Loans and advances given to related parties	(61,167,219)	(91,830,406)
Interest received on loans to related parties	11,683,264	484,423
Interest received on income tax refunds	-	15,561,110
Interest received on fixed deposits	100,818,152	51,736,395
<b>Net cash (used in) investing activities (B)</b>	<b>(1,181,387,407)</b>	<b>(242,582,769)</b>
<b>C Cash flow from Financing Activities :</b>		
Proceeds from/(Repayment of) Bank Overdraft (Net)	193,615,743	(8,223,511)
Proceeds from issue of equity shares (Refer Note 3.14)	1,499,999,250	-
Issue related expenses (Refer Note 36)	(120,377,368)	-
Interest paid on bank loans and others	(3,921,440)	(1,388,332)
<b>Net cash generated from/(used in) Financing Activities (C)</b>	<b>1,569,316,185</b>	<b>(9,611,843)</b>



## Cash Flow Statement for the year ended March 31, 2016

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>277,207,526</b>	<b>89,454,307</b>
Cash and Cash equivalents at the beginning of the year	214,863,304	125,408,997
<b>Cash and Cash equivalents at the end of the year</b>	<b>492,070,830</b>	<b>214,863,304</b>
<b>Cash and Cash equivalents comprises of</b>		
Cash on hand	-	-
Cheques on Hand	-	-
<u>Balances with Banks*</u>		
In Fixed Deposit Accounts	-	-
In Current Accounts	492,070,830	214,863,304
<b>Cash and Cash Equivalents at the end of the year</b>	<b>492,070,830</b>	<b>214,863,304</b>

\* Refer Note 17.

### Notes

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- 2 Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current period classification.
- 3 Figures in the bracket indicate cash outgo / income.
- 4 Non-cash item - There is an increase in Share Capital during the year ended March 31, 2016 due to capitalization of reserves by way of issue of bonus shares. Refer Note 3.10 for details of changes in share capital.

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This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S / S- 200012  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**  
Partner  
Membership No: 055913

**Ashok Kumar Nedurumalli**  
Managing Director  
DIN: 00151814

**Latika Prakash Pradhan**  
Director  
DIN: 07118801

**Ravi Vishwanath**  
Chief Financial Officer

**Mruthunjaya Murthy**  
Company Secretary  
CSN: 11766

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**1. General Information**

TeamLease Services Limited (the "Company") is an HR Services Company incorporated on February 2, 2000. The Company currently provides 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 May 15, 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f February 12, 2016.

**2. Summary of significant accounting policies**

**i. Basis of preparation:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

**ii. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which results are known or materialized.

**iii. Tangible Assets:**

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized in the Statement of Profit and Loss, losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act, 2013. The residual value of all assets is assumed as zero based on historical trend of the Company. Leasehold Improvements are amortized over the period of lease. Assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**iv. Intangible Assets:**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end and if the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Internal development of intangible assets are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirement of Accounting Standard 26. Expenditure directly attributable to the development of an Intangible asset in accordance with the requirements of Accounting Standard 26 are capitalized.

Gain or loss arising from the retirement or disposal of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortization rates used are:

<u>Asset</u>	<u>Useful life</u>
Computer Software	3 years

**v. Borrowing Costs:**

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

**vi. Impairment of Assets:**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash flows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

**vii. Investments:**

Investments are classified into long term investments and current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually.

In case of investments in units of a mutual fund, the net asset value of units is considered at the market / fair value.

**viii. Inventories:**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method and includes applicable costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**ix. Foreign Currency Translation:**

**Initial Recognition :-**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition :-**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

**x. Revenue Recognition:**

- Revenue from Manpower services is accounted on accrual basis on performance of the service agreed in the Contract / Mandate Letter between the Company and its customer.
- Revenue from Recruitment Services, Skills and Development, Regulatory Services and Payroll is recognized on accrual basis upon execution of the service.
- Revenue from the Corporate Training is recognized over the period of the course commencing from the start of the batch. Revenue in respect of short term programmes is recognized on commencement of the respective programme.
- Revenue from Royalty and Affiliation fees from Franchisee is recognized on the basis of moneys collected by the Franchisees.

**Other Income:**

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

Interest on tax refunds is recognized on actual receipt of the refund money or on communication from Income Tax department, whichever is earlier.

Dividend: Dividend income is recognized when the right to receive dividend is established.

Profit/ (Loss) arising from the sale of investments is recognized on trade date basis; net of expenses. The cost of investment is computed on weighted average basis.

- Net Revenue excludes Service Tax and other statutory levies.

**xi. Employee Benefits:**

**a) Provident Fund**

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to a Trust administered 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.

Contribution to Provident Fund consists of i) contribution to Family Pension Fund and ii) Other. 'Family Pension Fund' contribution is made to the Government whereas 'Other' contribution is made to a Trust set up by the Company.

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

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

The Institute of Actuaries of India has issued the guidance note on valuation of interest rate guarantee on exempt provident funds under AS 15 (revised) which is effective from April 1, 2011. Accordingly, the provident fund liability has been determined by an independent actuary as at March 31, 2016. The actuarial valuation approach used by the independent actuary for measuring the liability is the Deterministic Approach which calculates the defined benefit obligation of all accrued and accumulated provident fund contributions as at the valuation date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**(ii) Contribution to Government Provident Fund**

Contribution as required by the Statute made to the Government Provident Fund is debited to the Statement of Profit and Loss. The Company has a defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions. Contributions to Provident Fund are made in accordance with the statute, and are recognised as an expense when employees have rendered services entitling them to the contributions.

**b) Gratuity**

The Company's gratuity scheme (the "Gratuity Plan") is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year.

Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

In addition to the above, the Company recognises its liability in respect of gratuity for associate employees and its right of reimbursement as an asset. Employee benefits expense in respect of gratuity to associate employees and reimbursement right is presented in accordance with AS 15 - Employee Benefits.

**c) Compensated absences**

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

Termination Benefits paid: Termination benefits in the nature of voluntary retirement are recognized in the Statement of Profit and Loss as and when incurred.

**xii. Current and Deferred Tax:**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**xiii. Provisions and Contingent Liabilities:**

**Provisions:** Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**xiv. Leases:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss based on the terms of the agreement and the effect of lease equalisation is not given considering the increment is on account of inflation factor.

**xv. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses/income".

**xvi. Cash and Cash Equivalents**

In the Cash Flow Statement, Cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**xvii. Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**3 SHARE CAPITAL**

	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<b>Authorised</b>		
23,300,000 (Previous Year: 10,000,000 of Re 1 each) Equity shares of Rs. 10 each (Refer note 3.9 below)	233,000,000	10,000,000
170,000 (Previous Year: 170,000) 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 each	17,000,000	17,000,000
	<b>250,000,000</b>	<b>27,000,000</b>
<b>Issued, Subscribed and Paid-Up</b>		
17,096,769 (Previous year: 5,110,688 of Re 1 each) Equity Shares of Rs. 10 each fully paid up	170,967,690	5,110,688
	<b>170,967,690</b>	<b>5,110,688</b>

**3.1 Reconciliation of the number of shares**

<u>Equity Shares</u>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>Number of Shares</b>	<b>Rupees</b>	<b>Number of Shares</b>	<b>Rupees</b>
Balance as at the beginning of the year	5,110,688	5,110,688	5,110,688	5,110,688
Add: Issue of Bonus shares (Refer Note 3.10)	148,209,952	148,209,952	-	-
Add: Issue of Equity Shares (Refer Note 3.14)	1,764,705	17,647,050	-	-
Less: Consolidation of Equity shares (Refer Note 3.11)	(137,988,576)	-	-	-
Balance as at the end of the year	<b>17,096,769</b>	<b>170,967,690</b>	<b>5,110,688</b>	<b>5,110,688</b>

**3.2 Rights, Preferences and restrictions attached to shares**

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

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

**3.3 Shares held by the then Holding Company \***

<u>Equity Shares</u>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>Number of Shares</b>	<b>Rupees</b>	<b>Number of Shares</b>	<b>Rupees</b>
HR Offshoring Ventures Pte Limited and its nominees (Refer Note 3.12)*	5,426,579	54,265,790	2,672,100	2,672,100
<b>Total</b>	<b>5,426,579</b>	<b>54,265,790</b>	<b>2,672,100</b>	<b>2,672,100</b>

\*Ceased to be the holding company w.e.f July 31, 2015. The information for the year ended March 31, 2016 is given only for the purpose of Comparatives.



**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**3.4 Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company.**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% holding	Number of Shares	% holding
HR Offshoring Ventures Pte Limited and its nominees	5,426,579	31.74	2,672,100	52.28
GPE (India) Limited	1,771,299	10.36	983,956	19.25
Dhana Management Consultancy LLP	1,379,886	8.07	-	-
IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	1,022,137	5.98	851,781	16.67
NED Consultants LLP	855,100	5.00	-	-

**3.5** There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust, as on March 31, 2016 and for the previous year.

**3.6** 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 March 31, 2016.

**3.7** There are no shares bought back by the Company during the period of five years immediately preceding the year ended March 31, 2016.

**3.8** There are no securities that are convertible into equity / preference shares.

**3.9** The shareholders of the Company on April 02, 2015 approved for increase of the Authorized Share Capital from Rs. 27,000,000 to Rs.150,000,000 divided into 133,000,000 equity shares of Re. 1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 each by way of additional 123,000,000 equity shares of Re. 1 each. Further, on June 25, 2015, the shareholders of the Company approved for increase of the Authorized Share Capital from Rs. 150,000,000 to Rs.250,000,000 divided into 233,000,000 equity shares of Re. 1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 each by way of additional 100,000,000 equity shares of Re. 1 each.

Accordingly, the Authorized Share Capital of the Company is increased to Rs. 150,000,000 effective from April 02, 2015 and further increased to Rs.250,000,000 effective from June 25, 2015 comprising 23,300,000 equity shares of Rs.10 each and 170,000 preference shares of Rs.100 each.

**3.10** On June 25, 2015, pursuant to the provisions of the Companies Act, 2013, the shareholders of the Company approved for 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 of this meeting and accordingly a sum of Rs. 148,209,952 is capitalized out of the Company's Securities Premium Account outstanding as on June 30, 2015 and transferred to the Share Capital Account towards issue of fully paid-up bonus shares pursuant to which the paid-up Capital of the Company has increased from Rs.5,110,688 to Rs.153,320,640. and the balance in the Securities Premium account reduced to Rs.1,003,220,349.

**3.11** During the year ended March 31, 2016, the Company has issued 148,209,952 bonus shares out of securities premium account thereby increasing the number of equity shares to 153,320,640 of Re 1 each and every 10 equity shares of Re 1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to Rs. 10 per share. Accordingly total 153,320,640 shares of Re.1 each post-bonus have been consolidated into 15,332,064 shares of Rs.10 each by reducing 137,988,576 number of shares w.e.f July 10,2015.

**3.12** During the year ended March 31, 2016, Directors of the Company i.e., Ashok Reddy, Manish Sabharwal and Mohit Gupta formed three Limited Liability Partnership firms namely NED Consultants LLP, MKS Management Consultancy Services LLP and Dhana Management LLP. Post consolidation of equity shares, HR Offshoring Ventures Pte Limited (HROV) transferred 1,379,886 equity shares to Dhana Management LLP, 855,100 equity shares to NED Consultants LLP, 300 equity shares to MKS Management Consultancy Services LLP, 201,114 equity shares to the ESOP Trust of the Company. Pursuant to these transfers, the shareholding of HROV in the Company reduced from 52.28% to 41.97% from March 31, 2015 to July 31, 2015 and then further reduced to 31.74% as on March 31, 2016 .



**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**3.13** As of March 31, 2015 total number of equity shares held by the employees of the Company amounting to 265,321 equity shares of Re. 1 each and all such shares have been transferred to employees by way of dilution of shareholding of ILCHPL and HROV over the years ended March 31, 2009, 2010, 2012, 2013, 2014 and 2015 . The Board of Directors of the Company on August 03, 2015 approved to cancel the previous ESOP Scheme which was issued by the Company on July 27, 2011 and to implement new "TeamLease Employee Stock Option Plan 2015" ("ESOP 2015 scheme") which has been formulated and the existing ESOP Trust has been re-constituted in line with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014, provisions of the Articles of Association of the Company and Companies Act, 2013 and Rules. The shareholders of the Company approved the ESOP 2015 Scheme on July 10, 2015. All unvested and unexercised ESOPs granted to employees under the previous ESOP scheme have been cancelled with effect from August 03, 2015. TeamLease Employee Stock Option Plan Trust (the "Trust") has granted 32,390 options on October 01, 2015 to the employees of the Company, which is out of the transfer of 201,114 equity shares by HROV. Since the options are issued by the Trust and not by the Company, there is no impact on the Financial Statements of the Company towards grant / allotment of ESOP. Refer Note 33 for further details.

**3.14** Pursuant to Initial Public Offering (IPO), 1,764,705 equity shares of the company of Rs.10 each were allotted at Rs. 850 per equity share.

Date of allotment	Number of shares	Amount	
		Share Capital	Securities Premium
February 10, 2016	1,764,705	17,647,050	1,482,352,200

**4 RESERVES AND SURPLUS**

**Securities Premium Account**

Balance as at the beginning of the year  
Add: Issue of Equity Shares (Refer Note 3.14)  
Less : Transfer to Surplus/ (Deficit)\*  
Less : Issue of Bonus shares (Refer Note 3.10)  
Less : Amount utilised for share issue expenses (Refer Note 36)  
Balance as at the end of the year

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
1,151,430,301	1,533,689,602
1,482,352,200	-
-	(382,259,301)
(148,209,952)	-
(120,377,368)	-
<b>2,365,195,181</b>	<b>1,151,430,301</b>

**Surplus/ (Deficit) in Statement of Profit and Loss**

Balance as at the beginning of the year  
Add : Profit for the year  
Add : Transfer from Securities Premium Account\*  
Balance as at the end of the year

322,538,121	(382,259,301)
242,858,283	322,538,121
-	382,259,301
<b>565,396,404</b>	<b>322,538,121</b>
<b>2,930,591,585</b>	<b>1,473,968,422</b>

**Total**

\* During the previous year, the Company had passed a special resolution in its Extraordinary General Meeting held on January 15, 2015 and made an application to the High Court of Judicature at Bombay to approve for the reduction of the Securities Premium Account of the Company from Rs. 1,533,689,602 to Rs. 1,151,430,301 and to affect such reduction by adjusting the entire debit balance in the Surplus/ (Deficit) in the Statement of Profit and Loss amounting to Rs. 382,259,301 as on 31st March, 2014. The Order of the High Court was passed on March 27, 2015 and the minutes approved by the Court were registered by the Registrar of Companies on May 29, 2015. Accordingly, Securities Premium as on March 31, 2015 had been adjusted with the debit balance of profit and loss to the extent of Rs. 382,259,301 in accordance with Accounting Standard (AS) - 4 : Contingencies and events occurring after the Balance Sheet Date.

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**5 OTHER LONG-TERM LIABILITIES**

	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
Statutory Payables	42,190,282	42,190,282
Other Liabilities	7,531,437	10,151,728
<b>Total</b>	<b>49,721,719</b>	<b>52,342,010</b>

**6 LONG-TERM PROVISIONS**

	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<u>Provision for Employee Benefits</u>		
Gratuity Payable		
- Core Employees ( Refer Note 31 (a))	15,913,077	11,760,851
- Associate Employees ( Refer Note 31 (d))	252,973,679	153,042,947
Leave Encashment Payable (Refer Note 6a below)	13,682,861	10,870,930
<b>Total</b>	<b>282,569,617</b>	<b>175,674,728</b>

Note 6a: Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the year ended March 31, 2016 and March 31, 2015.

**7 SHORT-TERM BORROWINGS**

	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<b>Secured Loans:</b>		
Bank Overdraft (Refer Note 7.1)	193,615,743	-
<b>Total</b>	<b>193,615,743</b>	<b>-</b>

**7.1 Schedule of Short Term Borrowings**

	<b>Rate of Interest</b>	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<b>Secured</b>			
(Secured by way of lien on Fixed Deposits and charge on Book debts. Repayable on demand)			
HDFC Bank	10.50%	193,615,743	-
<b>Total</b>		<b>193,615,743</b>	<b>-</b>

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**8 OTHER CURRENT LIABILITIES**

	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
Sundry Creditors*	87,254,298	68,714,282
Employees Benefits Payable (Refer Note 35)	1,150,518,452	571,966,952
Statutory dues	408,926,090	285,087,223
Advance from Customers	121,077,825	88,373,281
Book Overdraft	72,527,409	134,275,398
Other Liabilities	208,038,965	168,613,260
<b>Total</b>	<b>2,048,343,039</b>	<b>1,317,030,396</b>

\* There are no amounts due and outstanding to be provided to the Investor Education and Protection Fund under section 205C of Companies Act, 1956 as at the year end.

**9 SHORT-TERM PROVISIONS**

	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<u>Provision for Employee Benefits</u>		
Gratuity Payable		
- Core Employees ( Refer note 31 (a))	7,597,952	7,040,091
- Associate Employees ( Refer note 31 (d))	77,330,032	75,688,328
Leave Encashment Payable (Refer note 6a)	7,804,557	7,247,287
<b>Total</b>	<b>92,732,541</b>	<b>89,975,706</b>

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

10.1 FIXED ASSETS

FIXED ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2015	Additions	Deletions/ Adjustments	Cost as at 31.03.2016	As at 01.04.2015	For the year	On Deletions/ Adjustments	As at 31.03.2016	As at 31.03.2015
<b>A. Tangible assets</b>									
Office Equipments	29,253,307	7,368,513	-	36,621,820	21,652,002	5,300,698	-	26,952,701	7,601,305
Computers	58,709,253	2,913,750	-	61,623,003	57,759,798	1,305,065	-	59,064,863	2,558,140
Furniture & Fixtures	10,607,264	2,751,837	-	13,359,101	5,758,530	3,226,342	-	8,984,872	4,848,734
Vehicles	2,362,309	-	-	2,362,309	846,191	466,084	-	1,312,275	1,516,118
<b>Total</b>	<b>100,932,133</b>	<b>13,034,100</b>	<b>-</b>	<b>113,966,233</b>	<b>86,016,521</b>	<b>10,298,189</b>	<b>-</b>	<b>17,651,523</b>	<b>14,915,612</b>
<b>B. Intangible assets</b>									
COMS Software	16,370,995	-	-	16,370,995	16,334,725	36,270	-	-	36,270
Goodwill	4,000,000	-	-	4,000,000	4,000,000	-	-	-	-
Software - ALCS 10.0	-	70,518,073	-	70,518,073	-	11,785,212	-	58,732,861	-
(Refer Note 3 below)	103,101,394	5,051,667	-	108,153,061	88,869,477	7,956,988	-	11,326,596	14,231,917
Software - Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>123,472,389</b>	<b>75,569,740</b>	<b>-</b>	<b>199,042,129</b>	<b>109,204,202</b>	<b>19,778,470</b>	<b>-</b>	<b>70,059,457</b>	<b>14,268,187</b>
<b>C. Intangible Assets under development</b>									
Software - ALCS (Refer Note 3 below)	41,867,275	28,650,798	70,518,073	-	-	-	-	-	41,867,275
Software - Mobile App	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>41,867,275</b>	<b>28,650,798</b>	<b>70,518,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,867,275</b>
<b>Grand Total</b>	<b>266,271,797</b>	<b>117,254,638</b>	<b>70,518,073</b>	<b>313,008,362</b>	<b>195,220,723</b>	<b>30,076,660</b>	<b>-</b>	<b>87,710,980</b>	<b>71,051,074</b>

**Note:**

- (1) There is no revaluation of assets during the year.
- (2) There are no adjustments to Tangible/Intangible Assets on account of borrowing costs and exchange differences.
- (3) The Company has capitalised Software - ALCS 10.0 w.e.f from October 01, 2015.

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016  
10.2 FIXED ASSETS

FIXED ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				(In Rupees) NET BLOCK	
	As at 01.04.2014	Additions	Deletions/ Adjustments	Cost as at 31.03.2015	As at 01.04.2014	For the year	On Deletions/ Adjustments	As at 31.03.2015	As at 31.03.2014	
<b>A. Tangible assets</b>										
Office Equipments	27,570,684	1,699,273	16,650	29,253,307	6,861,131	14,798,436	7,565	21,652,002	20,709,553	
Computers	58,286,412	422,841	-	58,709,253	57,109,996	649,802	-	57,759,798	1,176,416	
Furniture & Fixtures	11,800,353	1,006,411	2,199,500	10,607,264	6,249,937	798,966	1,290,373	5,758,530	5,550,416	
Vehicles	2,362,309	-	-	2,362,309	381,385	464,806	-	846,191	1,980,924	
<b>Total</b>	<b>100,019,758</b>	<b>3,128,525</b>	<b>2,216,150</b>	<b>100,932,133</b>	<b>70,602,449</b>	<b>16,712,010</b>	<b>1,297,938</b>	<b>86,016,521</b>	<b>29,417,309</b>	
<b>B. Intangible assets</b>										
COMS Software	16,370,995	-	-	16,370,995	13,025,033	3,309,692	-	16,334,725	3,345,962	
Goodwill	4,000,000	-	-	4,000,000	4,000,000	-	-	4,000,000	-	
Software - Others	93,960,983	9,140,411	-	103,101,394	82,141,299	6,728,178	-	88,869,477	11,819,684	
<b>Total</b>	<b>114,331,978</b>	<b>9,140,411</b>	<b>-</b>	<b>123,472,389</b>	<b>99,166,332</b>	<b>10,037,870</b>	<b>-</b>	<b>109,204,202</b>	<b>15,165,646</b>	
<b>C. Intangible Assets under development</b>										
Software - ALCS	16,379,858	25,487,417	-	41,867,275	-	-	-	41,867,275	16,379,858	
<b>Total</b>	<b>16,379,858</b>	<b>25,487,417</b>	<b>-</b>	<b>41,867,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,867,275</b>	<b>16,379,858</b>	
<b>Grand Total</b>	<b>230,731,594</b>	<b>37,756,353</b>	<b>2,216,150</b>	<b>266,271,797</b>	<b>169,768,781</b>	<b>26,749,880</b>	<b>1,297,938</b>	<b>195,220,723</b>	<b>60,962,813</b>	

**Note:**

- (1) The estimated useful lives of the assets have been revised in line with Schedule II of Companies Act, 2013; pursuant to which additional depreciation of Rs.10,602,882 on the tangible assets has been charged to the Statement of Profit and Loss.
- (2) There is no revaluation of assets during the year.
- (3) There are no adjustments to Intangible Assets on account of borrowing costs and exchange differences.

# 11 NON-CURRENT INVESTMENTS

	Face Value	As at March 31, 2016		As at March 31, 2015	
	Rupees	Number	Rupees	Number	Rupees
<b><u>Other than Trade Investments (At Cost)</u></b>					
<b>Unquoted Equity Instruments</b>					
<b>Investment in Subsidiaries (Fully paid-up)</b>					
IIJT Education Private Limited (IIJT)	10	8,000,000	243,353,076	8,000,000	243,353,076
TeamLease Education Foundation	10	10,000	100,000	10,000	100,000
National Employability Apprenticeship Services	10	10,000	100,000	10,000	100,000
India Tourism & Hospitality Skills Education Private Limited (ITHS)	10	10,000	100,000	10,000	100,000
		8,030,000	243,653,076	8,030,000	243,653,076
Less: Provision for Diminution in the Value of Investments (Refer Note 11.1)		-	(219,937,780)	-	(219,937,780)
<b>Total</b>		<b>8,030,000</b>	<b>23,715,296</b>	<b>8,030,000</b>	<b>23,715,296</b>

Aggregate Value of Unquoted Investments  
-At Book Value

243,653,076

243,653,076

Aggregate provision for diminution in the value of Investments

219,937,780

219,937,780

- 11.1** Provision for Diminution in the Value of Investments includes Rs.219,837,780 (Previous Year Rs.219,837,780) towards investment in IIJT and Rs.100,000 (Previous Year Rs.100,000) towards investment in ITHS.

# 12 DEFERRED TAX ASSET

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Deferred Tax Asset:		
Provision for bad and doubtful debts	10,747,181	22,255,256
Difference between Book and Tax Depreciation	19,067,703	21,834,856
Provision for employee benefits		
--Gratuity	8,136,697	5,920,391
--Leave Encashment	7,436,366	5,890,682
--Bonus	-	1,297,778
<b>Total</b>	<b>45,387,947</b>	<b>57,198,963</b>

**13 LONG-TERM LOANS AND ADVANCES**

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Unsecured, considered good (unless otherwise stated)		
<u>Security Deposits</u>		
Rental Deposits	59,116,951	54,339,764
Other Deposits	12,398,908	7,089,268
<u>Other loans and advances</u>		
Prepaid Expenses	2,478,915	6,969,055
Balances with Service Tax Authorities	6,481,524	6,481,524
Loans and Advances to Related Parties (Refer Note 18.1)	149,033,320	122,324,933
Capital Advances	232,332	-
Balances with Income Tax Authorities (Net of provision for tax Rs.193,651,290 (Previous Year Rs. 96,122,627))	381,006,142	235,115,703
<b>Total</b>	<b>610,748,092</b>	<b>432,320,247</b>

**14 OTHER NON-CURRENT ASSETS**

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<u>Long-Term Trade Receivables</u>		
Unsecured considered doubtful	16,443,887	59,433,651
Less: Provision for Doubtful Debts	(16,443,887)	(59,433,651)
	-	-
Fixed Deposits with banks with maturity period more than 12 months from reporting date *	40,345,130	10,916,262
<u>Others</u>		
Interest accrued on Fixed Deposits	969,547	558,450
Interest accrued and due on Loan to Related party (Refer Note 30)	-	2,653,532
Reimbursement right for Gratuity (Refer note 31 (d))	252,973,679	153,042,947
<b>Total</b>	<b>294,288,356</b>	<b>167,171,191</b>

\* Fixed deposits of Rs. 40,345,130 as at March 31, 2016 (Previous year Rs. 10,916,262) is under lien with various banks for the Guarantee issued to third parties on behalf of the Company. Refer Note 26 (c).

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

<b>15 INVENTORIES</b>	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
At Cost:		
Course ware	2,344,258	2,171,522
<b>Total</b>	<b>2,344,258</b>	<b>2,171,522</b>
<b>16 TRADE RECEIVABLES</b>	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<u>Unsecured, Considered good</u>		
Outstanding for a period exceeding 6 months from the date they are due for payment	55,938,703	16,986,032
Others	1,148,702,855	795,159,999
<b>Total</b>	<b>1,204,641,558</b>	<b>812,146,031</b>
<u>Unsecured, Considered doubtful</u>		
Outstanding for a period less than 6 months from the date they are due for payment	14,610,150	6,042,243
Less: Provision for Doubtful Debts	(14,610,150)	(6,042,243)
	<b>1,204,641,558</b>	<b>812,146,031</b>
<b>17 CASH AND BANK BALANCES</b>	<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<b>(a) Cash And Cash equivalents</b>		
Balances with banks:		
In Current Accounts (Refer Note 36B)	492,070,830	214,863,304
	492,070,830	214,863,304
<b>(b) Other Bank Balances</b>		
In Fixed Deposit Accounts (Refer Note 36B) (maturity within 12 months from the date of acquisition)#	1,283,705,787	270,616,920
Fixed Deposit Accounts (Maturity more than 12 months but within one year from the reporting date) *	810,044,143	657,332,471
<b>Total</b>	<b>2,585,820,760</b>	<b>1,142,812,695</b>

\* Fixed deposits of Rs. 250,044,142 as at March 31, 2016 (Previous year Rs. 192,332,471) which are under lien with various banks for the Overdraft facilities and Guarantees issued by the Bank on behalf of the Company, Refer Note 26 (c).

# Fixed deposits of Rs. 43,705,787 as at March 31, 2016 (Previous year Rs. 616,920) which is under lien, kept as securities with banks for the Overdraft facilities and Bank Guarantees, Refer Note 26 (c).



**18 SHORT-TERM LOANS AND ADVANCES**

SHORT-TERM LOANS AND ADVANCES		As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<u>Unsecured considered good</u>			
<u>Other Loans and Advances</u>			
Advances recoverable in Cash or in kind or for value to be received		12,719,465	6,849,868
Loans and Advances to Related Parties (Refer Note 18.1)		87,230,430	58,812,280
Prepaid Expenses		45,749,090	27,735,942
Rental Deposits		4,899,289	-
Other Deposits		21,190,000	-
Advances to Staff		4,499,562	3,144,590
<u>Unsecured considered doubtful</u>			
Loans and Advances to Related Parties	2,333,637		2,229,713
Less: Provision for doubtful loans and advances	(2,333,637)	-	(2,229,713)
<b>Total</b>		<b>176,287,836</b>	<b>96,542,680</b>

**18.1 The breakup of Loans and Advances to Related Parties is as below:  
(Refer note 30)**

The breakup of Loans and Advances to Related Parties is as below: (Refer note 30)		As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<u>Loans to Related Parties:</u>			
TeamLease Education Foundation *		140,064,337	122,324,933
<u>Advances to Related Parties:</u>			
IJT Education Private Limited		12,760,574	19,206,426
India Life Capital Private Limited		-	8,203
TeamLease Education Foundation		74,228,700	32,922,041
TeamLease Skills University		8,968,983	9,192,072
National Employability Apprenticeship Services		241,156	137,070
India Tourism & Hospitality Skills Education Private Limited	2,333,637		2,229,713
Less: Provision for doubtful advances	(2,333,637)	-	(2,229,713)
<b>Total</b>		<b>236,263,750</b>	<b>183,790,745</b>

\* The above loan has been given for its principal business purpose i.e. sponsoring of TeamLease Skills University ("TLSU"). The loan has been given at an Interest rate of 9% per annum and repayment would commence after enrolling a minimum of 3000 students on campus with TLSU.

Note: None of the loanees have made any investments in the shares of the Company and its subsidiaries.

**19 OTHER CURRENT ASSETS**

	<b>As At March 31, 2016 Rupees</b>		<b>As At March 31, 2015 Rupees</b>	
Interest accrued on Fixed Deposits		36,361,034		48,389,667
Unbilled Revenue (Refer Note 35)		623,905,785		184,894,256
Reimbursement right for Gratuity (Refer note 31 (d))		77,330,032		75,688,328
<b>Total</b>		<b>737,596,851</b>		<b>308,972,251</b>

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

<b>20 REVENUE FROM OPERATIONS</b>	<b>For the Year Ended</b>	<b>For the Year Ended</b>
	<b>March 31, 2016</b>	<b>Ended</b>
(Net of Service Tax)	<b>Rupees</b>	<b>March 31, 2015</b>
		<b>Rupees</b>
Sale of Services (Refer Note 35)	24,681,869,398	19,731,355,532
<u>Other Operating Revenue</u>		
Recruitment Services	166,811,160	137,707,232
Skills and Development	62,672,578	87,890,862
Royalty and Affiliation Income	10,846,222	55,831,176
Corporate Training	-	8,318,056
Income from Regulatory Services	75,190,245	44,916,526
Payroll Income	51,794,690	4,678,574
<b>Total</b>	<b>25,049,184,293</b>	<b>20,070,697,958</b>
<b>21 OTHER INCOME</b>	<b>For the Year Ended</b>	<b>For the Year Ended</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Interest on Fixed Deposits	89,200,616	79,712,983
Interest on loans to related parties	10,033,036	3,137,955
Interest on Income Tax Refunds	-	15,561,110
Liabilities no longer required written back	15,483,913	23,677,017
Provision for doubtful Debts No Longer Required Written Back	27,049,188	14,861,132
Dividend Income on Mutual Fund Investments	2,304,307	3,303,606
Bad Debt recovered	-	849,947
Foreign Exchange Gains (Net)	-	415
Profit on slump sale	-	603,896
Miscellaneous Income	3,611,953	6,444,362
<b>Total</b>	<b>147,683,013</b>	<b>148,152,423</b>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the Year Ended</b>	<b>For the Year Ended</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Salaries, Wages and Bonus (Refer Note 35)	22,617,715,864	17,990,004,107
Contribution to Provident and Other Funds (Refer note 31 (b) and (c))	1,636,545,255	1,356,292,492
Gratuity Net of Reimbursement Right (Refer note 31 (a), 31(d) and 31 (e))	7,288,892	5,362,637
Leave Encashment*	10,925,204	8,490,652
Employee Insurance	100,669,359	71,520,914
Staff Welfare	15,105,090	10,997,549
Staff Training Expenses	2,210,276	1,711,160
<b>Total</b>	<b>24,390,459,940</b>	<b>19,444,379,511</b>

\* Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the Year Ended March 31, 2016 and March 31, 2015.

**Provident Fund Trust**

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.

**Gratuity**

Every employee is entitled to a benefit equivalent to Fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is paid at the time of separation from the Company or retirement, whichever is earlier. The benefits vest in accordance with the Payment of Gratuity Act, 1972.

**Leave Encashment**

Every employee is entitled to a leave encashment of 15 days of Paid Leave (Maximum carry forward of 30 days) calculated on gross pay. The same is paid at the time of separation from the Company or Retirement whichever is earlier.

**23 FINANCE COSTS**

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<u>Interest on Loans</u>		
- Banks	3,921,440	1,368,430
- Others	-	19,902
<b>Total</b>	<b>3,921,440</b>	<b>1,388,332</b>

**24 DEPRECIATION AND AMORTISATION EXPENSE**

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
Depreciation	10,298,189	16,712,010
Amortisation	19,778,471	10,037,870
<b>Total</b>	<b>30,076,660</b>	<b>26,749,880</b>

25 OTHER EXPENSES	For the Year Ended		For the Year Ended	
	March 31, 2016		March 31, 2015	
	Rupees		Rupees	
Courseware Consumed		1,618,208		2,133,583
Rent		99,297,953		71,239,724
Rates and Taxes		2,327,243		603,303
Fines and Penalties		763,262		675
Electricity		13,893,413		11,987,533
Traveling and Conveyance		39,369,466		36,927,142
<u>Repairs and maintenance</u>				
-Leasehold Premises		1,085,892		224,618
-Others		50,132,008		32,992,555
Printing and Stationery		19,324,978		12,661,495
Communication		44,520,102		41,391,300
Legal and professional		46,948,129		27,195,324
Auditors' Remuneration (Refer Note 25.1)		4,788,019		2,756,900
Advertisement and Business Promotion		13,962,359		8,982,712
Security Charges		6,730,081		4,939,874
Brokerage		537,185		55,000
Bank Charges		1,509,688		858,762
Sundry balances written off		653,171		6,108,024
Bad Debts written off	29,882,145		12,362,802	
Less: Related Provision for				
Doubtful Debts Written Back	(21,121,672)	8,760,473	(5,148,943)	7,213,859
Provision for Bad and Doubtful Debts		16,401,009		29,501,361
Provision for diminution in the value of long term investments and		103,924		2,329,713
Provision for doubtful advances				
Office Expenses		551,116		645,670
Write off of Course ware Materials		-		122,970
Fees and Certification Charges		2,732,085		3,990,000
Foreign Exchange (Gain) / Loss (Net)		68,730		-
Directors Sitting Fees		391,250		-
Training Expenses		22,807,532		100,550,515
Donation		50,000		-
Loss on sale of Fixed Assets (Net)		-		342,290
<b>Total</b>		<b>399,327,276</b>		<b>405,754,902</b>

25.1 Auditors' Remuneration	For the Year Ended		For the Year Ended	
	March 31, 2016		March 31, 2015	
	Rupees		Rupees	
Statutory Audit Fees		3,500,000		2,025,000
Tax Audit Fees		600,000		575,000
Other Services		500,000		-
Reimbursement of expenses		188,019		156,900
<b>Total</b>		<b>4,788,019</b>		<b>2,756,900</b>

In addition to above provision, the Company had paid Auditor's Remuneration of Rs. 15,771,992 (Previous Year Rs 2,247,200) towards Initial Public Offer of equity shares to the Statutory Auditors of the Company. Out of above, the Company has recovered Rs. 11,712,475 from the selling shareholders and Rs. 6,306,717 has been adjusted with the Securities Premium as share issue expense.

- 25.2 Gross amount required to be spent by the Company towards corporate social responsibility expense (CSR) during the year is Rs. 4,084,379 (Previous Year Rs.732,723). The Company has not spent any amount towards CSR expenditure neither has created any provision thereof during the year and previous year. Accordingly, the movement in provision during the year is Nil.

**26 CONTINGENT LIABILITIES AND COMMITMENTS**

**(a) Contingent Liability**

i. With respect to Employee State Insurance ("ESI") demand raised in 2006, the Company had furnished documents in the prior year to justify no ESI liability for the balance amount of Rs. 504,467 (Previous year Rs. 504,467) which is pending for approval from ESI department.

ii. The Company had received Demand Order in the prior under section 201(1) and 201(1A) of the Income Tax Act, 1961 for tax deducted at source of Rs. 770,794 (previous year Rs.770,974) for the Assessment Year 2010-11. The Company had filed appeal against the aforesaid demand in the prior year with the Commissioner of Income Tax (Appeals). The matter is pending as on date.

iii. The Company had received a demand of Rs.14,941,812 (Previous year: Rs.14,941,812) inclusive of penalty during the prior year from the Commissioner of Service Tax disallowing the cenvat availed against Group Medical Insurance and Personal Accident Policy for the period from October 2010 to July 2013. The said demand was disposed off in the Company's favor by Central Excise and Service Tax Appellate Tribunal (CESTAT). The Commissioner of Service Tax Department had filed the case against this CESTAT order with the Hon'ble High court of Karnataka, Bangalore ('High Court') . This petition was disposed off by the High court on April 2, 2014 in Company's favor. In May 2015, the Commissioner of Service Tax Department had filed a petition with Supreme Court of India for condonation of delay in filing the special leave to appeal. Against this petition, condonation is granted by Supreme Court of India and there has been no further update as of the reporting date.

Further on April 19, 2016, the Company received show cause notice from the Commissioner of Service Tax, Bengaluru in respect of the above matter for the period from August 2013 to September 2015 for an amount of Rs 13,928,550. The Company on May 12, 2016, has responded against the show cause notice received and has sought one month extension from the department which is pending as on date.

iv. The Company has provided a corporate guarantee on behalf of TeamLease Skills University ('TLSU') to Tata Capital Financial Services Limited ("TCFSL") whereby the Company has guaranteed all the obligations of TLSU under the Operating Lease Agreement between TCFSL and TLSU dated July 24, 2014 executed in relation to the lease of computer equipment by TCFSL to TLSU of value not exceeding Rs.20,000,000 (Previous year Rs 15,000,000).

vi. Pursuant to the amendment of Payment of Bonus Act, 1965, the Company considers statutory bonus of Rs 334,933,022 in respect of the financial year 2014-15 as contingent liability (Refer Note 35 for further details).

As per the contractual agreement with the customers, Rs 333,296,946 in respect of associate employees is recoverable from the customers in case this liability arises.

**(b) Capital Commitments**

Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advance of Rs 232,332) as at March 31, 2016 is Rs 739,214 and (Previous Year Rs. NIL).

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**(c) Other Commitments**

Guarantees given by banks against Fixed Deposits as at March 31, 2016 is Rs. 75,996,838 (Previous year Rs. 38,329,163)

	(in Rupees)	
Guarantees against Fixed Deposit	As at March 31, 2016	As at March 31, 2015
National Stock Exchange of India Limited	21,200,000	-
REC Power Distribution Company Ltd	15,290,000	6,000,000
Development Support Agency of Gujarat	15,190,000	15,190,000
TATA Capital Financial Services Ltd	10,915,138	7,288,480
Uttar Pradesh Skill Development Society	3,280,207	1,200,000
Rural Electrification Corporation Ltd (RECL)	2,000,000	2,000,000
Director, Uttar Pradesh Skill Development Society	1,944,000	-
The State Project Director Rastriya Madhyamaik Shiksha Abhiyan	1,057,500	1,057,500
The Mission Director, Mission for Elimination of Poverty in Municipal Areas (MEPMA) Telangana.	1,000,000	1,000,000
Gateway Rail Freight Limited	1,000,000	1,000,000
TATA Capital Financial Services Ltd., (Previously Macquarie Finance (India) Pvt Ltd)	604,799	640,763
The Director Municipal Admistrat Urban Development Dept, Govt. of Jharkhand,	505,500	505,500
Kerala Academy for skills excellence (KASE)	500,000	-
The Centre for Entrepreneurship Development(CED)	500,000	500,000
Additional Skill Acquisition Programme	343,560	-
Mission Director Jharkhand Skill Development Mission	230,300	-
Director General of Employment and Training	200,000	200,000
Employment Through Skills Training & Placement	135,812	-
ONGC Petro Additions Limited	100,022	-
The Chief Executive Officer Employment Generation & Marketing	-	500,000
The Mission Director, Mission for Elimination of Poverty in Municipal Areas (MEPMA)	-	500,000
Section Officer(Cash) Dept of Economic Affairs	-	130,000
Uttar Pradesh Skill Development	-	616,920
<b>Total</b>	<b>75,996,838</b>	<b>38,329,163</b>

**27 EARNINGS / EXPENDITURE IN FOREIGN CURRENCY**

(a) Earning in Foreign Currencies

Staffing Income

(b) Expenditure in Foreign Currencies

License/Technical Fees

**Total**

**For the Year Ended  
March 31, 2016  
Rupees**

-

-

446,316

**446,316**

**For the Year  
Ended  
March 31, 2015  
Rupees**

305,754

**305,754**

154,289

**154,289**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**28 EARNINGS PER SHARE**

	<b>For the Year Ended March 31, 2016 Rupees</b>	<b>For the Year Ended March 31, 2015 Rupees</b>
Profit attributable to Equity shareholders	242,858,283	322,538,121
Weighted average number of Equity Shares: - For Basic and Diluted (Refer Note 3.14)	15,577,966	15,332,064
Nominal Value of Equity Shares (Note a below)	10	10
Earning per Share (EPS)(In Rupees)(Note a below) - Basic and Diluted (Face Value of Rs. 10 each)	15.59	21.04

Note a: During the year ended March 31, 2016, the Company has issued 148,209,952 bonus shares thereby increasing the number of equity shares to 153,320,640 of Re 1 each and every 10 equity shares of Re 1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to Rs. 10 per share. Accordingly total 153,320,640 shares of Re.1 each post-bonus have been consolidated into 15,332,064 shares of Rs.10 each by reducing 137,988,576 number of shares. Accordingly, Basic and Diluted earning per share has been adjusted for the year ended March 31, 2015 presented above in line with the Accounting Standard (AS)- 20 "Earnings per share" (Refer Note 3.10 and 3.11).

**29 LEASES**

(a) The Company has taken on operating lease office premises at various locations. The agreements are executed for a period ranging from 1 year to 9 years. Rents are accounted as per agreement and the effect of lease equalisation are accepted based on the inflation factor.

(b) Rent payments are recognised in the Statements of Profit and Loss under the head "Rent" in Notes 25 "Other Expenses" for the year ended March 31, 2016 amounting to Rs. 99,297,953 respectively (previous year: Rs 71,239,724).

(c) The future minimum lease payments under non-cancellable operating lease are as below:

<b>Minimum Lease Rental Payable</b>	<b>As at March 31, 2016 Rupees</b>	<b>As at March 31, 2015 Rupees</b>
Within 1 year	61,970,393	45,930,153
Later than one year but not later than 5 year	71,493,150	40,681,575
More than 5 years	Nil	Nil

**30 RELATED PARTY DISCLOSURE**

**(a) Related parties where control exists(Refer Note 3.3):**

**Nature of Relationship**

Subsidiary Companies

IIJT Education Private Limited ('IIJT')  
TeamLease Education Foundation ('TLEF')  
India Tourism and Hospitality Skills Education Private Limited  
National Employability Apprenticeship Services ('NEAS')

**(b) Other Related Parties:**

Key Management personnel & their relatives

Mr. Manish Sabharwal - Chairman & Promoter  
Mr. Ashok Kumar Nedurumalli - Managing Director & Promoter  
Mr. Mohit Gupta - Director (Resigned w.e.f July 31, 2015)  
Mr. Ravi Vishwanath - Chief Financial Officer  
Mr. Mruthunjaya Murthy- Company Secretary (w.e.f. May 07, 2015)  
Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath

Enterprises over which key Management Personnel are able to exercise significant influence with whom transactions have taken place

Hansini Management Consultants Private Limited ('HANSINI')  
TeamLease Skills University ('TLSU')  
India Life Capital Private Limited ('ILCPL')  
HR Offshoring Ventures Pte Limited ('HROV') (Refer Note 3.3)

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

Nature of Transactions	Name of Related Party	Subsidiary Company		Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015
<b>ISSUANCE OF EQUITY SHARES</b>									
Issue of bonus shares (Refer Note 3.10)	HROV	-	-	-	-	77,490,900	-	77,490,900	-
	HANSINI	-	-	-	-	1,270,606	-	1,270,606	-
	Ravi Vishwanath	-	-	255,925	-	-	-	255,925	-
<b>Total-Issue of bonus shares</b>		-	-	255,925	-	78,761,506	-	79,017,431	-
<b>FINANCE</b>									
Loans given to related parties	TLEF	59,500,130	80,564,207	-	-	-	-	59,500,130	80,564,207
<b>Total Loans given to related parties</b>		59,500,130	80,564,207	-	-	-	-	59,500,130	80,564,207
Repayment of loans/advances by related parties	IJJT	6,696,652	1,307,005	-	-	-	-	6,696,652	1,307,005
	TLSU	-	-	-	-	243,410	-	243,410	-
Interest Paid	TLEF	11,683,264	-	-	-	-	-	11,683,264	-
	HANSINI	-	-	-	-	-	3,732,290	-	3,732,290
<b>Total-Repayment of loans/advances by related parties</b>		18,379,916	1,307,005	-	-	243,410	3,732,290	18,623,326	5,039,295
Interest on loans to related parties	TLEF	10,033,036	2,948,350	-	-	-	-	10,033,036	2,948,350
	HANSINI	-	-	-	-	-	189,606	-	189,606
<b>Total-Interest on loans to related parties</b>		10,033,036	2,948,350	-	-	-	189,606	10,033,036	3,137,956



Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

Nature of Transactions	Name of Related Party	Subsidiary Company		Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		(In Rupees)	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015
OTHER RECEIPTS AND PAYMENTS									
Service Charges / Rent Income	ILCPL	-	-	-	-	2,208,000	2,150,485	2,208,000	2,150,485
	IJJT	240,000	-	-	-	-	-	240,000	-
	TLEF	1,012,000	-	-	-	-	-	1,012,000	-
	TLSU	-	-	-	-	42,295,424	-	42,295,424	-
Total-Service charges/rental income		1,252,000	-	-	-	44,503,424	2,150,485	45,755,424	2,150,485
Consideration of slump sale	TLSU	-	-	-	-	-	165,300	-	165,300
Employee Benefit expenses paid	TLEF	-	6,552,202	-	-	-	-	-	6,552,202
Total-Employee Benefit expenses paid		-	-	-	-	-	510,930	-	510,930
			6,552,202	-	-	-	-	-	7,063,132
Other Expenses paid	IJJT	-	25,080	-	-	-	-	-	25,080
	NEAS	104,086	28,500	-	-	-	-	104,086	28,500
	TLEF	2,199,465	984,514	-	-	-	-	2,199,465	984,514
	TLSU	-	-	-	-	20,321	2,931,417	20,321	2,931,417
	ILCPL	-	-	-	-	48,744	63,941	48,744	63,941
	ITHS	103,924	44,580	-	-	-	-	103,924	44,580
Total-Other Expenses		2,407,475	1,082,674	-	-	69,065	2,995,358	2,476,540	4,078,032
Consultancy Fee	ILCPL	-	-	-	-	540,000	540,000	540,000	540,000
Services Charges	TLSU	-	-	-	-	4,157,148	-	4,157,148	-
Total consultancy/services paid		-	-	-	-	4,697,148	540,000	4,697,148	540,000

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016

(In Rupees)

Nature of Transactions	Name of Related Party	Subsidiary / Fellow Subsidiary Companies		Key Management Personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Total	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015		March 31 2016	March 31 2015
Remuneration to Key Management Personnel	Ashok Kumar Nedurumalli	-	-	4,572,950	4,457,150	-	4,572,950	4,457,150
	Manish Sabharwal	-	-	4,206,000	4,276,000	-	4,206,000	4,276,000
	Mohit Gupta	-	-	2,194,738	4,251,417	-	2,194,738	4,251,417
	Ravi Vishwanath	-	-	7,162,624	6,944,503	-	7,162,624	6,944,503
	Mruthunjaya Murthy	-	-	2,002,763	-	-	2,002,763	-
<b>Total-Remuneration to Management Personnel</b>		-	-	<b>20,139,075</b>	<b>19,929,070</b>	-	<b>20,139,075</b>	<b>19,929,070</b>
Rent Paid	Asha Vishwanath	-	-	600,000	600,000	-	<b>600,000</b>	<b>600,000</b>
<b>OUTSTANDING BALANCES</b>								
Receivables								
Loans and Advances	ILCPL	-	-	-	-	8,203	-	8,203
Receivable (Inclusive of Interest) (Refer Note 18.1)	IJJT	12,760,574	19,206,426	-	-	-	12,760,574	19,206,426
	TLEF	214,293,037	155,246,974	-	-	-	214,293,037	155,246,974
	TLSU	-	-	-	-	9,192,072	8,968,983	9,192,072
	NEAS	241,156	137,070	-	-	-	241,156	137,070
<b>Total-Loans and advances Receivables</b>		<b>227,294,767</b>	<b>174,590,470</b>	-	-	<b>9,200,275</b>	<b>236,263,750</b>	<b>183,790,745</b>
Trade Receivables	TLSU	-	-	-	-	-	48,354,399	-
	TLEF	1,158,740	-	-	-	-	1,158,740	-
	ILCPL	-	-	-	-	-	491,146	-
<b>Total- Trade Receivables</b>		<b>1,158,740</b>	-	-	-	-	<b>50,004,285</b>	-
Investments in Subsidiaries	TLEF	100,000	100,000	-	-	-	100,000	100,000
	ITHS*	-	-	-	-	-	-	-
	NEAS	100,000	100,000	-	-	-	100,000	100,000
	IJJT *	23,515,296	23,515,296	-	-	-	23,515,296	23,515,296
<b>Total-Investments</b>		<b>23,715,296</b>	<b>23,715,296</b>	-	-	-	<b>23,715,296</b>	<b>23,715,296</b>
<b>Total outstanding balances</b>		<b>252,168,803</b>	<b>198,305,766</b>	-	-	<b>9,200,275</b>	<b>309,983,331</b>	<b>207,506,041</b>

\* Net of provision for diminution in the value of Investments

Guarantees given (Refer Note 26 (a) (iv))	TLSU	-	-	-	-	15,000,000	20,000,000	15,000,000
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**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**31 a) EMPLOYEE BENEFITS - GRATUITY (Un-funded)**

The following tables summarize the components of the net employee benefit expenses recognised in the Statements of Profit and Loss the fund status and the amount recognised in the Balance Sheet for the Gratuity.

Disclosure relating to actuarial valuation of Gratuity:

	<b>As at March 31, 2016</b>	<b>As at March 31 2015</b>
<b>I. Assumptions</b>		
Discount Rate	7.40% p.a.	7.78% p.a.
Expected Return On Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	7% p.a	7% p.a
Attrition	36% p.a.	40% p.a.
Retirement	58 yrs.	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>		
Present Value Of obligation at the beginning of the year	18,800,942	16,609,959
Adjustment to present value	-	-
Interest Cost	1,295,854	1,168,877
Current Service Cost	6,376,531	5,746,727
Past Service Cost	-	-
Benefits Paid	(2,578,805)	(3,171,654)
Transfer In	-	-
Actuarial (gain) loss on Obligation	(383,493)	(1,552,967)
<b>Present Value Of obligation at the end of the year</b>	<b>23,511,029</b>	<b>18,800,942</b>
<b>III. Change in Fair Value Plan Assets:</b>		
Fair value of plan Assets beginning of the year	-	-
Expected Return On plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
<b>IV. Actuarial gain (loss) recognized</b>	<b>383,493</b>	<b>1,552,967</b>
<b>V. Balance Sheet Recognition</b>		
Present Value Of Obligation	23,511,029	18,800,942
Fair Value Of Plan Assets	-	-
Liability (assets)	23,511,029	18,800,942
Unrecognised Past Service Cost	-	-
<b>Liability (asset) recognised in the Balance Sheet</b>	<b>23,511,029</b>	<b>18,800,942</b>
<b>VI. Expenses Recognition</b>		
Current Service Cost	6,376,531	5,746,727
Interest Cost	1,295,854	1,168,877
Expected Return On plan assets	-	-
Net Actuarial gain (loss) recognised in the year	(383,493)	(1,552,967)
Past Service Cost	-	-
<b>Expenses Recognised in the statement of Profit and Loss</b>	<b>7,288,892</b>	<b>5,362,637</b>

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**VII. Movements in the liability recognised in Balance Sheet**

Opening net Liability	18,800,942	16,609,959
Adjustment to Present Value	-	-
Expenses	7,288,892	5,362,637
Contribution	(2,578,805)	(3,171,654)
Transfer In	-	-
Closing Net Liability	<b>23,511,029</b>	<b>18,800,942</b>

**VIII. Current and Non-Current Liability**

Current	7,597,952	7,040,091
Non-current	15,913,077	11,760,851

**IX. Experience adjustment**

Experience adjustment on Plan assets	(664,001)	(1,450,996)
Experience adjustment on Plan assets	NA	NA
Total experience adjustment	(664,001)	(1,450,996)

Present value of Defined Benefit Obligation Provident Plan assets; Deficit / (Surplus) on funded status and experience adjustment for earlier years:-

Particulars	Gratuity		
	March 31, 2014	March 31, 2013	March 31, 2012
Benefit Obligation	16,609,959	14,894,355	12,666,551
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	(1,543,451)	(887,204)	2,169,762
Experience adjustment on Plan Assets	NA	NA	NA

**b) EMPLOYEE BENEFITS - PROVIDENT FUND**

	As at March 31, 2016	As at March 31 2015
Balance in Reserves and Surplus as per TeamLease Services Limited Employees Provident Fund Trust *	389,704,959	296,808,811
Provident Fund Obligations *	13,342,162	9,152,001
Discount Rate (per annum)	7.35%	7.93%
Average historic yield on the investment portfolio	9.17%	9.24%
Appropriate term (in years)	5 Years	5 Years
Remaining term to maturity of PF portfolio (in years)	6.52 Years	7.51 Years
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.

**c) During the year the Company has recognised the following amounts in the Statements of Profit and Loss:-**

Particulars	March 31 2016 Rupees	March 31 2015 Rupees
Employers contribution to Provident Fund	1,193,628,692	959,069,078
Employees State Insurance Corporation	424,506,234	382,431,057
Provident Fund Administrative charges	18,410,329	14,792,357
<b>Total</b>	<b>1,636,545,255</b>	<b>1,356,292,492</b>

**31 d) EMPLOYEE BENEFITS - GRATUITY (Un-funded)**

The Company has recognised gratuity liability and reimbursement right in respect of associate employees pursuant to paragraph 103 of Accounting Standard -15 notified under Companies (Accounting Standards) Rules, 2006 and accordingly disclosure has been made as required and to the extent provided by actuary.

Disclosure relating to actuarial valuation of Gratuity of associate employees:

	As at March 31, 2016	As at March 31, 2015
<b>I. Assumptions</b>		
Discount Rate	7.35% p.a.	7.78% p.a.
Expected Return on Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	10% p.a.	9.6% p.a.
Attrition	43% p.a.	44% p.a.
Retirement	58 yrs.	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>		
Present Value Of obligation at the beginning of the year	228,731,275	156,875,654
Adjustment to present value	-	-
Interest Cost	15,037,369	10,914,983
Current Service Cost	61,243,265	45,600,725
Past Service Cost	-	-
Benefits Paid	(48,282,435)	(33,160,482)
Transfer In	-	-
Actuarial (gain) loss on Obligation	73,574,237	48,500,395
<b>Present Value Of obligation at the end of the year</b>	<b>330,303,711</b>	<b>228,731,275</b>
<b>III. Change in Fair Value Plan Assets:</b>		
Fair value of plan Assets beginning of the year	-	-
Expected Return On plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
IV. Actuarial gain (loss) recognized	(73,574,237)	(48,500,395)
<b>V. Balance Sheet Recognition</b>		
Present Value Of Obligation	330,303,711	228,731,275
Fair Value Of Plan Assets	-	-
Liability and assets	330,303,711	228,731,275
<b>Liability and assets recognised in the Balance Sheet</b>	<b>330,303,711</b>	<b>228,731,275</b>
<b>VI. Expenses and Income Recognition</b>		
Current Service Cost	61,243,265	45,600,725
Interest Cost	15,037,369	10,914,983
Expected Return On plan assets	-	-
Net Actuarial gain (loss) recognised in the year	73,574,237	48,500,395
Past Service Cost	-	-
<b>Expenses and Income Recognised in the statement of Profit and Loss</b>	<b>149,854,871</b>	<b>105,016,103</b>
<b>VII. Movements in the liability and asset recognised in Balance Sheet</b>		
Opening net Liability and asset	228,731,275	156,875,654
Adjustment to Present Value	-	-
Expenses and Income	149,854,871	105,016,103
Contribution	(48,282,435)	(33,160,482)
<b>Closing Net Liability and asset</b>	<b>330,303,711</b>	<b>228,731,275</b>
<b>VIII. Current and Non-Current Liability and asset</b>		
Current	77,330,032	75,688,328
Non-current	252,973,679	153,042,947

e) The employee benefits expense towards gratuity and related reimbursement right for associate employees for year ended March 31, 2016 is Rs. 149,854,871 (Previous year Rs. 105,016,103) have been netted off in the Statement of Profit and Loss.

**IX. Experience adjustment**

Experience adjustment	62,598,899	40,168,152
Experience adjustment on Plan assets	NA	NA
Total experience adjustment	62,598,899	40,168,152

Present value of Defined Benefit Obligation Provident Plan assets; Deficit / (Surplus) on funded status and experience adjustment for earlier years:-

Particulars	Gratuity		
	March 31, 2014	March 31, 2013	March 31, 2012
Benefit Obligation	103,786,940	68,881,540	54,975,764
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	30,715,196	8,349,763	1,119,676
Experience adjustment on Plan Assets	NA	NA	NA

### 32. SEGMENT REPORTING

**(a) Business Segment:**

The business segment has been considered as the primary segment.

The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

The Company's primary business comprises of Staffing Operations, Recruitment Operations and Training Operations.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, likewise pertaining to Regulatory services, Payroll (including NETAPP Management Fees) and other administrative activities have been included under unallocated expenses/Income.

Assets (including fixed assets) and liabilities that are directly attributable to segments are disclosed under each reportable segment. Common assets and liabilities have been allocated to each segment on the basis of their relationship to the operating activities of their segments. All other assets and liabilities are disclosed as unallocable.

#### Information about primary business segment

	Staffing Operations		Recruitment Operations		Training Operations		Unallocated		TOTAL	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>(i) Segment Revenue</b>										
External Revenue	24,681,869,398	19,731,355,532	166,811,160	137,707,232	73,518,800	152,040,093	126,984,935	49,595,100	25,049,184,293	20,070,697,958
Liabilities no longer required written Back	11,245,391	26,147,376	-	5,528,419	-	5,371,217	4,238,522	1,491,138	15,483,913	38,538,150
Add: Interest / Dividend income	-	-	-	-	-	-	101,537,958	98,412,048	101,537,958	98,412,048
Add: Other Income	-	-	3,687,934	-	23,337,158	2,750,835	3,636,049	8,451,391	30,661,141	11,202,226
<b>Total Revenue</b>	<b>24,693,114,789</b>	<b>19,757,502,908</b>	<b>170,499,094</b>	<b>143,235,651</b>	<b>96,855,958</b>	<b>160,162,145</b>	<b>236,397,464</b>	<b>157,949,677</b>	<b>25,196,867,306</b>	<b>20,218,850,383</b>
<b>(ii) Segment Results</b>										
Income Taxes (Current and Deferred Tax)	290,924,478	224,114,891	2,011,516	35,040,690	19,178,733	(9,038,584)	60,967,263	90,460,759	373,081,990	340,577,756
Profit after tax	290,924,478	224,114,891	2,011,516	35,040,690	19,178,733	(9,038,584)	(69,256,444)	72,421,124	242,858,283	322,538,121

Information about primary business segment

	(In Rupees)									
	Staffing Operations		Recruitment Operations		Training Operations		Unallocated		TOTAL	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>(iii) Segment Assets</b>										
Total Assets	2,063,549,324	1,215,249,787	48,558,672	40,426,195	103,159,454	68,311,018	3,553,274,484	1,790,114,950	5,768,541,934	3,114,101,950
	2,063,549,324	1,215,249,787	48,558,672	40,426,195	103,159,454	68,311,018	3,553,274,484	1,790,114,950	5,768,541,934	3,114,101,950
<b>(iv) Segment liabilities</b>										
Total liabilities	2,318,376,442	1,399,985,741	6,575,536	4,824,399	50,674,590	54,057,238	291,356,091	176,155,462	2,666,982,659	1,635,022,840
	2,318,376,442	1,399,985,741	6,575,536	4,824,399	50,674,590	54,057,238	291,356,091	176,155,462	2,666,982,659	1,635,022,840
<b>(v) Capital Expenditure</b>										
	28,650,798	25,487,417	-	-	-	-	18,085,768	12,268,936	46,736,566	37,756,353
<b>(vi) Depreciation/ Amortization</b>										
	11,785,212	-	-	-	36,270	3,309,692	18,255,178	23,440,188	30,076,660	26,749,880
<b>(vii) Non Cash Expenditure other than Depreciation</b>										
	-	-	-	-	-	-	44,132,673	59,471,506	44,132,673	59,471,506

**b) Geographical Segment:**

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

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**33 A. Details of TeamLease Employee Stock Option Plan issued by the Trust (Refer Note 3.13)**

Name of the Scheme	TeamLease Employee Stock Option Plan 2015
Date of grant	1-Oct-15
Number Granted	32,390
Exercised Price	Rs 10
Vesting period	4 years
Vesting conditions	25% on expiry of 12 months from grant date
	25% on expiry of 24 months from grant date
	25% on expiry of 36 months from grant date
	25% on expiry of 48 months from grant date

**B. Movement in the options granted to Employee**

Particulars	Number of Options
Outstanding at start of the year	-
Granted	32,390
Forfeited	-
Vested	-
Exercised	-
Outstanding at end of year	32,390
Exercisable at end of year	-

- 34** During the prior year, TeamLease received service tax Order for Rs 37,850,377 from Commissioner of Central Excise. As per the Order there is a penalty of equivalent amount. Further, interest at the applicable rate has also been levied. The management has already filed an appeal against this Order. The penalty and interest has neither been accounted for nor disclosed as contingent liability in the financial statements since in the opinion of the management and based on the legal opinion obtained from a Service Tax Practitioner, possibility of outflow of funds are remote.
- 35** During the year ended March 31, 2016, Payment of Bonus Act, 1965 (‘ the Act’) has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2015) is required to be paid to the eligible employees. Based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1.4.2014 in respect of statutory bonus has not been recognised and treated as contingent liability. Hence, the Company has recognized additional statutory bonus of Rs. 261,866,742 for the year ended March 31, 2016 forming part of salaries, wages and bonus with a corresponding amount included in provision for employee benefits payable as at March 31, 2016. Based on the contractual agreements with the customers, the amount in respect of associate employees is recoverable from them with the stated mark-ups and accordingly, revenue from sale of services to the tune of Rs. 266,732,063 (net of service tax) has been recognised with a corresponding amount included in unbilled revenue of Rs. 305,408,213 with service tax thereon as at March 31, 2016.



**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended March 31, 2016**

**36 A) Amount utilised for share issue expenses**

Amount utilised for share issue expenses Rs. 120,377,368 includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

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

<b>Particulars</b>	<b>Amount (Rs)</b>
Issue Proceeds	1,499,999,250
Less: Issue Expenses	120,377,368
Net Proceeds of IPO	1,379,621,882
Amount Utilised as per the objects of the issue as per prospectus	-
Funds to be utilised (remain invested in current account and fixed deposits with banks)	1,379,621,882
Amount invested in the Fixed Deposit Accounts	1,070,000,000
Balance lying in Current Accounts	309,621,882
<b>Total</b>	<b>1,379,621,882</b>

**37 Previous Year Figures**

Figures of previous year have been regrouped, re-arranged and reclassified wherever necessary to conform to the Current Period's Classification.

The accompanying notes are an integral part of these Financial Statements.

Signatures to Note Number 1 to 37 forming part of the Financial Statements.

**For Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 007567S / S- 200012

Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**

Partner

Membership No: 055913

**Ashok Kumar Nedurumalli**

Managing Director

DIN: 00151814

**Latika Prakash Pradhan**

Director

DIN: 07118801

**Ravi Vishwanath**

Chief Financial Officer

**Mruthunjaya Murthy**

Company Secretary

CSN: 11766

Place : Bangalore

Date : May 23, 2016

Place : Bangalore

Date : May 23, 2016

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of TeamLease Services Limited**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of TeamLease Services Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 2.2 (a) (vi) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. 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 8 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

8. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs 30,052,336 and net assets of Rs 26,979,777 as at March 31, 2016, total revenue of Rs. 6,959,644, net profit of Rs 5,267,399 and net cash inflows amounting to Rs 188,889 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

Our opinion on the consolidated 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

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 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 Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group— Refer Note 26 (a) to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2016 – Refer Note 11 to the consolidated financial statements in respect of such items as it relates to the Holding Company. The Holding Company did not have any derivative contracts as at March 31, 2016.
- In case of IIJT Education Private Limited and India Tourism and Hospitality Skills Education Private Limited, subsidiaries of the Holding Company, based on reports of other auditors submitted to us, there are no long term contracts including derivative contracts as at March 31, 2016.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India during the year ended March 31, 2016.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

Place: Bangalore  
Date: May 23, 2016

Partha Ghosh  
Partner  
Membership Number 055913

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 9 (f) of the Independent Auditors' Report of even date to the members of TeamLease Services Limited on the consolidated financial statements for the year ended March 31, 2016

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of TeamLease Services Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company and its subsidiary companies 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 Company's internal financial controls system over financial reporting.

,

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S-200012  
Chartered Accountants

Place: Bangalore  
Date: May 23, 2016

Partha Ghosh  
Partner  
Membership Number 055913

## Consolidated Balance Sheet as at March 31, 2016

		As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	170,967,690	5,110,688
Reserves and Surplus	4	2,944,810,789	1,483,056,302
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	5	49,721,719	52,342,009
Long-Term Provisions	6	282,569,617	175,674,728
<b>Current Liabilities</b>			
Short-Term Borrowings	7	193,615,743	-
Other Current Liabilities	8	2,051,382,203	1,319,697,575
Short-Term Provisions	9	92,765,937	90,009,102
<b>Total</b>		<b>5,785,833,698</b>	<b>3,125,890,404</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		17,651,523	14,915,373
Intangible Assets		93,574,753	37,783,718
Intangible Assets Under Development		-	41,867,275
Non-Current Investments	11	200,000	200,000
Deferred Tax Assets	12	45,387,948	57,198,963
Long-Term Loans and Advances	13	614,058,722	435,902,119
Other Non-Current Assets	14	294,288,356	167,171,191
<b>Current Assets</b>			
Inventories	15	2,344,259	2,171,524
Trade Receivables	16	1,204,661,793	812,501,550
Cash and Bank Balances	17	2,589,736,683	1,146,994,346
Short-Term Loans and Advances	18	164,120,613	77,917,378
Other Current Assets	19	759,809,048	331,266,967
<b>Total</b>		<b>5,785,833,698</b>	<b>3,125,890,404</b>

Principles of Consolidation and Significant Accounting Policies

2

The accompanying notes are an integral part of these Consolidated Financial Statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

**For Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S / S- 200012  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**  
Partner  
Membership No:055913

**Ashok Kumar Nedurumalli**  
Managing Director  
DIN: 00151814

**Latika Prakash Pradhan**  
Director  
DIN: 07118801

**Ravi Vishwanath**  
Chief Financial Officer

**Mruthunjaya Murthy**  
Company Secretary  
CSN: 11766

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016

## Consolidated Statement of Profit and Loss for the year ended March 31, 2016

	Notes	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
<b>Revenue</b>			
Revenue from Operations (Gross)		28,509,041,505	22,504,088,477
<b>Less:</b> Service Tax		3,459,857,212	2,433,390,519
Revenue from Operations (Net)	20	25,049,184,293	20,070,697,958
Other Income	21	154,402,657	113,900,937
<b>Total Revenue</b>		<b>25,203,586,950</b>	<b>20,184,598,895</b>
<b>Expenses</b>			
Employee Benefits Expense	22	24,390,897,628	19,444,804,049
Finance Costs	23	3,921,440	1,388,332
Depreciation and Amortization Expense	24	30,076,660	27,151,807
Other Expenses	25	400,477,909	385,369,510
<b>Total Expenses</b>		<b>24,825,373,637</b>	<b>19,858,713,698</b>
<b>Profit before Tax</b>		<b>378,213,313</b>	<b>325,885,197</b>
<b>Tax Expense</b>			
Current Tax		118,412,691	75,238,598
Deferred Tax (net)		11,811,015	(57,198,963)
<b>Profit for the year</b>		<b>247,989,607</b>	<b>307,845,562</b>
Earnings Per Equity Share (Nominal Value per Equity share - Rs 10 (March 31, 2015- Rs 10))	28		
<b>Basic and Diluted</b>		15.92	20.08

Principles of Consolidation and Significant Accounting Policies

The accompanying notes are an integral part of these Consolidated Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 007567S / S- 200012

Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**

Partner

Membership No: 055913

**Ashok Kumar Nedurumalli**

Managing Director

DIN: 00151814

**Latika Prakash Pradhan**

Director

DIN: 07118801

**Ravi Vishwanath**

Chief Financial Officer

**Mruthunjaya Murthy**

Company Secretary

CSN: 11766

Place : Bangalore

Date : May 23, 2016

Place : Bangalore

Date : May 23, 2016



# Consolidated Cash Flow Statement for the year ended March 31, 2016

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<b>A Cash flow from Operating Activities:</b>		
<b>Profit before Tax</b>	<b>378,213,313</b>	<b>325,885,197</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	30,076,660	27,151,807
Interest paid on bank loans and others	3,921,440	1,388,332
Dividend Income on Mutual Fund Investments	(2,304,307)	(3,303,606)
Interest income on fixed deposits	(89,244,016)	(79,799,646)
Interest income on loan to related parties	(10,033,036)	(3,137,955)
Interest on Income Tax Refunds	-	(15,561,110)
Loss on sale on fixed assets (Net)	-	342,290
Profit on slump sale	-	(603,896)
Liabilities no longer required written back	(15,503,505)	-
Provision for doubtful debts no longer required written back	(29,745,840)	-
Bad Debts written off (net of related provision for doubtful debts written back)	9,095,757	614,090
Sundry balances written off	653,173	360,085
Provision for Bad and Doubtful Debts	16,401,009	20,948,295
Provision for gratuity	7,288,892	5,362,637
Provision for leave encashment	10,925,204	8,490,652
Write off of course ware materials	-	122,970
<b>Operating income before working capital changes</b>	<b>309,744,744</b>	<b>288,260,142</b>
<b>Changes in working capital:</b>		
Increase in other current and long-term liabilities	744,567,843	321,756,972
Increase in short term and long term provisions	91,437,628	63,376,972
(Increase) in other non-current assets	(99,930,732)	(43,950,609)
(Increase) in other current assets	(440,653,233)	(55,564,799)
(Increase) in trade receivable	(387,911,169)	(245,088,041)
(Increase)/ decrease in inventories	(172,735)	151,624
(Increase)/ decrease in long term loans and advances	(5,954,611)	3,608,830
(Increase) in short term loans and advances	(51,339,233)	(6,266,035)
<b>Cash generated from operations</b>	<b>159,788,502</b>	<b>326,285,056</b>
Taxes (paid) / refunded (net)	(264,559,468)	16,512,020
<b>Net cash (used in)/generated from Operating Activities (A)</b>	<b>(104,770,966)</b>	<b>342,797,076</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of tangible, intangible and intangible assets under development (Refer Note 10.1(3) and 10.2)	(46,736,570)	(37,756,351)
Proceeds from sale of tangible and intangible fixed assets	-	575,922
Proceeds from sale of Mutual Fund units	1,202,304,307	1,378,303,606
Purchase of Mutual Fund units	(1,200,000,000)	(1,375,000,000)
Investment in Fixed Deposits (Net)	(1,194,774,790)	(189,444,551)
Repayment of loans and advances by related parties	243,410	3,732,290
Loans and advances given to related parties	(60,812,495)	(91,760,748)
Interest received on loans to related parties	11,683,264	484,423
Interest received on income tax refunds	-	15,561,110
Interest received on fixed deposits	100,944,071	51,809,572
<b>Net cash (used in) investing activities (B)</b>	<b>(1,187,148,803)</b>	<b>(243,494,727)</b>
<b>C Cash flow from Financing Activities :</b>		
Proceeds from/(Repayment of) Bank Overdraft (Net)	193,615,743	(8,223,511)
Proceeds from issue of equity shares (Refer Note 3.14)	1,499,999,250	-
Issue related expenses (Refer Note 37)	(120,377,368)	-
Interest paid on bank loans and others	(3,921,440)	(1,388,332)
<b>Net cash generated from/(used in) Financing Activities (C)</b>	<b>1,569,316,185</b>	<b>(9,611,843)</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2016

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>277,396,416</b>	<b>89,690,506</b>
Cash and Cash equivalents at the beginning of the year	218,490,337	128,799,831
<b>Cash and Cash equivalents at the end of the year</b>	<b>495,886,753</b>	<b>218,490,337</b>
<b>Cash and Cash equivalents comprises of</b>		
<u>Balances with Banks*</u>		
In Current Accounts	495,886,753	218,490,337
<b>Cash and Cash Equivalents at the end of the year</b>	<b>495,886,753</b>	<b>218,490,337</b>

\* Refer Note 17.

### Notes

- 1 The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- 2 Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current period classification.
- 3 Figures in the bracket indicate cash outgo / income.
- 4 Non-cash item - There is an increase in Share Capital during the year ended March 31, 2016 due to capitalization of reserves by way of issue of bonus shares. Refer Note 3.10 for details of changes in share capital.

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This is the Consolidated Cash Flow Statements referred to in our report of even date

### For Price Waterhouse & Co Bangalore LLP

Firm Registration Number: 007567S / S- 200012  
Chartered Accountants

### Partha Ghosh

Partner  
Membership No: 055913

Place : Bangalore  
Date : May 23, 2016

### For and on behalf of the Board of Directors

### Ashok Kumar Nedurumalli

Managing Director  
DIN: 00151814

**Ravi Vishwanath**  
Chief Financial Officer

Place : Bangalore  
Date : May 23, 2016

### Latika Prakash Pradha

Director  
DIN: 07118801

**Mruthunjaya Murthy**  
Company Secretary  
CSN: 11766

**Notes to the Consolidated Financial Statement forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**1. General Information**

TeamLease Services Limited (the “Company”) and its Subsidiaries are collectively referred herein as the “Group”. The Company and its subsidiaries are primarily engaged in providing Staffing services 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 May 15, 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited("NSE") and BSE Limited("BSE") w.e.f February 12, 2016.

**2.1. Basis of preparation:**

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these consolidated financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended], in particular, Accounting Standard 21 - 'Consolidated Financial Statements' and other relevant provisions of the Companies

**2.2 Principles of Consolidation**

(a) The Consolidated Financial Statements relating to the Company and its Subsidiary Companies incorporated in India (hereinafter collectively referred to as the “Group”) have been prepared on the following basis:

(i) The financial statements of the company and its subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard 21 (AS 21) on ‘Consolidated Financial Statements’ notified under Section 211(3C) and other relevant provision of the Companies Act, 2013 ‘Companies (Accounting Standards) Rules, 2006 (“Accounting Standards Rules”) as amended.

(ii) Investments in subsidiaries are eliminated and differences between the cost of investments over the net assets on the date of investments or on the date of the financial statements immediately preceding the date of investments in subsidiaries are recognised as Goodwill or Capital Reserve, as the case may be.

(iii) The excess of the cost of acquisition over the Company’s portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognized in the financial statements as Goodwill. Negative Goodwill is recognized as Capital Reserve.

(iv) Minority interest in the subsidiaries consists of

(A) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made and

(B) The minority’s share of movements in equity since the date the parent subsidiary relationship comes into existence.

(v) The Consolidated Financial Statements are Prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Standalone Financial Statements of the Company.

(vi) Investments in subsidiaries not considered in consolidation are accounted as per AS - 13 “Accounting for Investments” as referred to in the Accounting Standard Rules.

Details of subsidiaries, considered for consolidation, with respective holdings thereof are as follows:

S.No	Name of Subsidiary	Country of Incorporation	Date of Incorporation/ Acquisition
1	IJT Education Private Limited	India	April 4, 2010- 69% March 11, 2011- 31%
2	India Tourism and Hospitality Skills Education Private Limited	India	June 28, 2011- 100%

**Notes to the Consolidated Financial Statement forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

(b) TeamLease Education Foundation (TLEF) and National Employability Apprenticeship Services (NEAS), companies incorporated under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013) primarily with an objective of education and apprenticeship promotion in India, are wholly owned subsidiaries of the Company since their incorporation. TLEF and NEAS cannot transfer any funds or profits to TeamLease Services Limited and accordingly these entities have not been considered for consolidation in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements'. Investment held by the company in equity share capital of these subsidiaries have been accounted for as long term investment in accordance with AS 13- 'Accounting for Investments' in compliance with para 23 of AS 21.

**2.3 Significant Accounting Policies:**

**i. Basis of Accounting**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current- non current classification of assets and liabilities.

**ii. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which results are known or materialized.

**iii. Tangible Assets:**

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized in the Statement of Profit and Loss, losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act, 2013. The residual value of all assets is assumed as zero based on historical trend of the Company. Leasehold Improvements are amortized over the period of lease. Assets costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

**iv. Intangible Assets:**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end and if the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Internal development of intangible assets are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in accordance with the requirement of Accounting Standard 26. Expenditure directly attributable to the development of an Intangible asset in accordance with the requirements of Accounting Standard 26 are capitalized.

Gain or loss arising from the retirement or disposal of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortization rates used are:

Asset	Useful life
Computer Software	3 years

**v. Borrowing Costs:**

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

**vi. Impairment of Assets:**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash flows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.

Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

**vii. Investments:**

Investments are classified into long term investments and current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of investments, such reduction being determined and made for each investment

In case of investments in units of a mutual fund, the net asset value of units is considered as the market / fair value.

**viii. Inventories:**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method and includes applicable costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

**ix. Foreign Currency Translation:**

**Initial Recognition :-**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition :-**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

**Notes to the Consolidated Financial Statement forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**x. Revenue Recognition:**

- Revenue from Manpower services is accounted on accrual basis on performance of the service agreed in the Contract / Mandate Letter between the Company and its customer.
- Revenue from Recruitment Services, Skills and Development, Regulatory Services and Payroll is recognized on accrual basis upon execution of the service.
- Revenue from the Corporate Training is recognized over the period of the course commencing from the start of the batch. Revenue in respect of short term programmes is recognized on commencement of the respective programme.
- Revenue from Royalty and Affiliation fees from Franchisee is recognized on the basis of moneys collected by the Franchisees.
- Other Income:  
Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.  
Interest on tax refunds is recognized on actual receipt of the refund money or on communication from Income Tax department, whichever is earlier.  
Dividend: Dividend income is recognized when the right to receive dividend is established.  
Rental Income : Rental Income is accounted on accrual basis as per the terms of the agreement. Rent equalization is considered only if the agreement is non-cancellable for more than one year and the incremental rent is fixed over the term of the agreement.  
Profit/ (Loss) arising from the sale of investments is recognized on trade date basis; net of expenses. The cost of investment is computed on weighted average basis.
- Net Revenue excludes Service Tax and other statutory levies.

**xi. Employee Benefits:**

**a) Provident Fund**

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.  
In respect of certain employees, Provident Fund contributions are made to a Trust administered 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.

Contribution to Provident Fund consists of i) contribution to Family Pension Fund and ii) Other. 'Family Pension Fund' contribution is made to the Government whereas 'Other' contribution is made to a Trust set up by the Company.

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

The Institute of Actuaries of India has issued the guidance note on valuation of interest rate guarantee on exempt provident funds under AS 15 (revised) which is effective from April 1, 2011. Accordingly, the provident fund liability has been determined by an independent actuary as at March 31, 2016. The actuarial valuation approach used by the independent actuary for measuring the liability is the Deterministic Approach which calculates the defined benefit obligation of all accrued and accumulated provident fund contributions as at the valuation date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**(ii) Contribution to Government Provident Fund**

Contribution as required by the Statute made to the Government Provident Fund is debited to the Statement of Profit and Loss. The Company has a defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions. Contributions to Provident Fund are made in accordance with the statute, and are recognised as an expense when employees have rendered services entitling them to the contributions.

**b) Gratuity**

The Company's gratuity scheme (the "Gratuity Plan") is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year.

Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

In addition to the above, the Company recognises its liability in respect of gratuity for associate employees and its right of reimbursement as an asset. Employee benefits expense in respect of gratuity to associate employees and reimbursement right is presented in accordance with AS 15 - Employee Benefits.

**c) Compensated absences**

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

Termination Benefits: Termination benefits in the nature of voluntary retirement are recognized in the Statement of Profit and Loss as and when incurred.

**xii. Current and Deferred Tax:**

Tax expense for the year end, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.



**xiii. Provisions and Contingent Liabilities:**

**Provisions:** Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**xiv. Leases:**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss based on the terms of the agreement and the effect of lease equalisation is not given considering the increment is on account of inflation factor.

**xv. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

**xvi. Cash and Cash Equivalents**

In the Cash Flow Statement, Cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**xvii. Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential

**xviii. Goodwill on Consolidation**

The excess of cost to the Group of its investments in the subsidiaries subject to consolidation over its share in the equity of the subsidiaries, at the dates on which the investments in the subsidiaries are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. Goodwill arising on consolidation is not amortised.

Goodwill is reviewed for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If impairment is indicated, the asset is written down to its fair value.



**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**3 SHARE CAPITAL**

	<b>As At March 31, 2016</b>	<b>As At March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Authorised</b>		
23,300,000 (Previous year: 10,000,000 of Re 1 each)	233,000,000	10,000,000
Equity shares of Rs. 10 each (Refer Note 3.9 below)	17,000,000	17,000,000
170,000 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 each	<b>250,000,000</b>	<b>27,000,000</b>
<b>Issued, Subscribed and Paid-Up</b>		
17,096,769 (Previous year: 5,110,688 of Re 1 each) Equity Shares of Rs. 10 each fully paid up	170,967,690	5,110,688
	<b>170,967,690</b>	<b>5,110,688</b>

**3.1 Reconciliation of the number of shares**

	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
<u>Equity Shares</u>	<b>Number of Shares</b>	<b>Rupees</b>	<b>Number of Shares</b>	<b>Rupees</b>
Balance as at the beginning of the year	5,110,688	5,110,688	5,110,688	5,110,688
Add: Issue of Bonus Shares (Refer Note 3.10)	148,209,952	148,209,952	-	-
Add: Issue of Equity Shares (Refer Note 3.14)	1,764,705	17,647,050	-	-
Less: Consolidation of Equity shares (Refer Note 3.11)	(137,988,576)	-	-	-
Balance as at the end of the year	<b>17,096,769</b>	<b>170,967,690</b>	<b>5,110,688</b>	<b>5,110,688</b>

**3.2 Rights, Preferences and restrictions attached to shares**

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

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

**3.3 Shares held by the then Holding Company \***

	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>Number of Shares</b>	<b>Rupees</b>	<b>Number of Shares</b>	<b>Rupees</b>
<u>Equity Shares</u>				
HR Offshoring Ventures Pte Limited and its nominees (Refer Note 3.12)*	5,426,579	54,265,790	2,672,100	2,672,100
<b>Total</b>	<b>5,426,579</b>	<b>54,265,790</b>	<b>2,672,100</b>	<b>2,672,100</b>

\*Ceased to be the holding company w.e.f. July 31, 2015. The information for the year ended March 31, 2016 is given only for the purpose of Comparatives.

**3.4 Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company.**

	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>Number of Shares</b>	<b>% holding</b>	<b>Number of Shares</b>	<b>% holding</b>
HR Offshoring Ventures Pte Limited and its nominees	5,426,579	31.74	2,672,100	52.28
GPE (India) Limited	1,771,299	10.36	983,956	19.25
Dhana Management Consultancy LLP	1,379,886	8.07	-	-
IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	1,022,137	5.98	851,781	16.67
NED Consultants LLP	855,100	5.00	-	-

**3.5** There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust, as on March 31, 2016 and for the previous year.

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

- 3.6** 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 March 31, 2016.
- 3.7** There are no shares bought back by the Company during the period of five years immediately preceding the year March 31, 2016.
- 3.8** There are no securities that are convertible into equity / preference shares.
- 3.9** The shareholders of the Company on April 02, 2015 approved for increase of the Authorized Share Capital from Rs. 27,000,000 to Rs.150,000,000 divided into 133,000,000 equity shares of Re. 1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 each by way of additional 123,000,000 equity shares of Re. 1 each. Further, on June 25, 2015, the shareholders of the Company approved for increase of the Authorized Share Capital from Rs. 150,000,000 to Rs.250,000,000 divided into 233,000,000 equity shares of Re. 1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of Rs. 100 each by way of additional 100,000,000 equity shares of Re. 1 each. Accordingly, the Authorized Share Capital of the Company is increased to Rs. 150,000,000 effective from April 02, 2015 and further increased to Rs.250,000,000 effective from June 25, 2015 comprising 23,300,000 equity shares of Rs. 10 each and 1,70,000 preference shares of Rs.100 each.
- 3.10** On June 25, 2015, pursuant to the provisions of the Companies Act, 2013, the shareholders of the Company approved for 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 of this meeting and accordingly a sum of Rs. 148,209,952 is capitalized out of the Company's Securities Premium Account outstanding as on June 30, 2015 and transferred to the Share Capital Account towards issue of fully paid-up bonus shares pursuant to which the paid-up Capital of the Company has increased from Rs.5,110,688 to Rs.153,320,640 and the balance in the Securities Premium account reduced to Rs.1,003,220,349.
- 3.11** During the year ended March 31, 2016, the Company has issued 148,209,952 bonus shares out of securities premium thereby increasing the number of equity shares to 153,320,640 of Re. 1 each and every 10 equity shares of Re.1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to Rs. 10 per share. Accordingly total 153,320,640 shares of Re.1 each post-bonus have been consolidated into 15,332,064 shares of Rs. 10 each by reducing 137,988,576 number of shares w.e.f July 10, 2015.
- 3.12** During the year ended March 31, 2016, Directors of the Company i.e., Ashok Reddy, Manish Sabharwal and Mohit Gupta formed three Limited Liability Partnership firms namely NED Consultants LLP, MKS Management Consultancy Services LLP and Dhana Management LLP. Post consolidation of equity shares, HR Offshoring Ventures Pte Limited (HROV) transferred 1,379,886 equity shares to Dhana Management LLP, 855,100 equity shares to NED Consultants LLP, 300 equity shares to MKS Management Consultancy Services LLP, 201,114 equity shares to the ESOP Trust of the Company. Pursuant to these transfers, the shareholding of HROV in the Company reduced from 52.28% to 41.97% from March 31, 2015 to July 31, 2015 and then further reduced to 31.74% as on March 31, 2016.
- 3.13** As of March 31, 2015 total number of equity shares held by the employees of the Company amounting to 265,321 equity shares of Re. 1 each and all such shares have been transferred to employees by way of dilution of shareholding of ILCHPL and HROV over the years ended March 31, 2009, 2010, 2012, 2013, 2014 and 2015. The Board of Directors of the Company on August 03, 2015 approved to cancel the previous ESOP Scheme which was issued by the Company on July 27, 2011 and to implement new "TeamLease Employee Stock Option Plan 2015" ("ESOP 2015 scheme") which has been formulated and the existing ESOP Trust has been re-constituted in line with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014, provisions of the Articles of Association of the Company and Companies Act, 2013 and Rules. The shareholders of the Company approved the ESOP 2015 Scheme on July 10, 2015. All unvested and unexercised ESOPs granted to employees under the previous ESOP scheme have been cancelled with effect from August 03, 2015. TeamLease Employee Stock Option Plan Trust (the "Trust") has granted 32,390 options on October 01, 2015 to the employees of the Company, which is out of the transfer of 201,114 equity shares by HROV. Since the options are issued by the Trust and not by the Company, there is no impact on the Financial Statements of the Company towards grant / allotment of ESOP. Refer Note 35 for further details.
- 3.14** Pursuant to the Initial Public Offering (IPO), 1,764,705 equity shares of the company of Rs.10 each were allotted at a price of Rs.850 per equity share.

Date of allotment	Number of shares	Amount	
		Share Capital	Securities Premium
February 10, 2016	1,764,705	17,647,050	1,482,352,200

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016  
and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

#### 4 RESERVES AND SURPLUS

**Securities Premium Account**

Balance as at the beginning of the year  
Add: Issue of Equity Shares (Refer Note 3.14)  
Less : Issue of Bonus shares (Refer Note 3.10)  
Less : Amount utilised for share issue expenses (Refer Note 37)  
Balance as at the end of the year

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
1,151,430,300	1,151,430,300
1,482,352,200	-
(148,209,952)	-
(120,377,368)	-
<b>2,365,195,180</b>	<b>1,151,430,300</b>
331,626,002	23,780,440
247,989,607	307,845,562
<b>579,615,609</b>	<b>331,626,002</b>
<b>2,944,810,789</b>	<b>1,483,056,302</b>

## 5 OTHER LONG-TERM LIABILITIES

Statutory Payables  
Other Liabilities

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
42,190,281	42,190,281
7,531,438	10,151,728
<b>49,721,719</b>	<b>52,342,009</b>

## 6 LONG-TERM PROVISIONS

### Provision for Employee Benefits

Gratuity Payable

- Core Employees ( Refer Note 31 (a))
- Associate Employees ( Refer Note 31 (d))

Leave Encashment Payable (Refer Note 6a)

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
15,913,077	11,760,851
252,973,679	153,042,947
13,682,861	10,870,930
<b>282,569,617</b>	<b>175,674,728</b>

Note 6a: Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the year ended March 31, 2016 and March 31, 2015.

## 7 SHORT-TERM BORROWINGS

### Secured Loans:

Bank Overdraft (Refer Note 7.1)

### Total

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
193,615,743	-
<b>193,615,743</b>	<b>-</b>

## 7.1 Schedule of Short Term Borrowings

### Secured

(Secured by way of lien on Fixed Deposits and charge on Book debts.  
Repayable on demand)

HDFC Bank

Rate of  
Interest

10.50%

### Total

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
193,615,743	-
<b>193,615,743</b>	<b>-</b>

## 8 OTHER CURRENT LIABILITIES

Sundry Creditors\*

Employees Benefits Payable (Refer Note 36)

Statutory dues (including Provident Fund, Tax Deducted at Source)

Advance from Customers

Book Overdraft

Security deposit of building held for sale

Other Liabilities

### Total

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
88,098,143	68,927,029
1,150,536,452	572,029,952
409,003,408	285,090,791
121,077,825	88,373,281
72,527,409	134,275,398
2,100,000	2,100,000
208,038,966	168,901,124
<b>2,051,382,203</b>	<b>1,319,697,575</b>

\* There are no amounts due and outstanding to be provided to the Investor Education and Protection Fund under section 205C of Companies Act, 1956 as at the year end.

## 9 SHORT-TERM PROVISIONS

### Provision for Employee Benefits

Gratuity Payable

- Core Employees ( Refer Note 31 (a))

- Associate Employees ( Refer Note 31 (d))

Leave Encashment Payable (Refer Note 6a)

### Total

As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
7,597,952	7,040,091
77,330,032	75,688,328
7,837,953	7,280,683
<b>92,765,937</b>	<b>90,009,102</b>

Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016

10.1 FIXED ASSETS

FIXED ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK		(In Rupees)
	As at 01.04.2015	Additions	Deletions/ Adjustments	Cost as at 31.03.2016	As at 01.04.2015	For the year	On Deletions/ Adjustments	As at 31.03.2016	As at 31.03.2015	
<u>A. Tangible assets</u>										
Office Equipments	29,253,307	7,368,513	-	36,621,820	21,652,002	5,300,698	-	26,952,700	9,669,120	7,601,305
Computers	58,709,253	2,913,750	-	61,623,003	57,759,798	1,305,065	-	59,064,863	2,558,140	949,455
Furniture & Fixtures	10,607,264	2,751,837	-	13,359,101	5,758,530	3,226,342	-	8,984,872	4,374,230	4,848,734
Vehicles	2,362,309	-	-	2,362,309	846,192	466,084	-	1,312,276	1,050,033	1,516,117
<b>Total</b>	<b>100,932,133</b>	<b>13,034,100</b>	<b>-</b>	<b>113,966,234</b>	<b>86,016,522</b>	<b>10,298,189</b>	<b>-</b>	<b>96,314,711</b>	<b>17,651,523</b>	<b>14,915,611</b>
<u>B. Intangible assets</u>										
COMS Software	16,370,995	-	-	16,370,995	16,334,725	36,270	-	16,370,995	-	36,270
Goodwill on consolidation	23,515,296	-	-	23,515,296	-	-	-	-	23,515,296	23,515,296
Goodwill	30,322,380	-	-	30,322,380	30,322,380	-	-	30,322,380	-	-
Software - ALCS 10.0 (Refer Note 3 below)	-	70,518,073	-	70,518,073	-	11,785,212	-	11,785,212	58,732,861	-
Software - Others	103,101,394	5,051,667	-	108,153,061	88,869,477	7,956,988	-	96,826,465	11,326,596	14,231,917
<b>Total</b>	<b>173,310,065</b>	<b>75,569,740</b>	<b>-</b>	<b>248,879,805</b>	<b>135,526,582</b>	<b>19,778,470</b>	<b>-</b>	<b>155,305,052</b>	<b>93,574,753</b>	<b>37,783,483</b>
<u>C. Intangible Assets under development</u>										
Software - ALCS (Refer Note 3 below)	41,867,275	28,650,798	70,518,073	-	-	-	-	-	-	41,867,275
<b>Total</b>	<b>41,867,275</b>	<b>28,650,798</b>	<b>70,518,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,867,275</b>
<b>Grand Total</b>	<b>316,109,473</b>	<b>117,254,638</b>	<b>70,518,073</b>	<b>362,846,039</b>	<b>221,543,104</b>	<b>30,076,659</b>	<b>-</b>	<b>251,619,763</b>	<b>111,226,276</b>	<b>94,566,369</b>

**Note:**

- (1) There is no revaluation of assets during the year.
- (2) There are no adjustments to Tangible / Intangible Assets on account of borrowing costs and exchange differences.
- (3) The Company has capitalised Software-ALCS 10.0 w.e.f from October 01, 2015.

Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016

10.2 - FIXED ASSETS

FIXED ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2014	Additions	Deletions/ Adjustments	Cost as at 31.03.2015	As at 01.04.2014	For the year	On Deletions/ Adjustments	As at 31.03.2015	As at 31.03.2014
<b><u>A. Tangible assets</u></b>									
Building	25,495,100	-	25,495,100	-	2,920,378	401,927	3,322,305	-	22,574,722
Office Equipments	27,570,684	1,698,491	16,650	29,252,525	6,861,131	14,798,436	7,565	7,600,523	20,709,553
Computers	58,286,412	422,841	-	58,709,253	57,109,996	649,802	-	949,455	1,176,416
Furniture & Fixtures	11,800,353	1,006,955	2,199,500	10,607,808	6,249,937	798,966	1,290,373	4,849,278	5,550,416
Vehicles	2,362,309	-	-	2,362,309	381,386	464,806	-	1,516,117	1,980,923
<b>Total</b>	<b>125,514,858</b>	<b>3,128,287</b>	<b>27,711,250</b>	<b>100,931,895</b>	<b>73,522,828</b>	<b>17,113,937</b>	<b>4,620,243</b>	<b>86,016,522</b>	<b>51,992,030</b>
<b><u>B. Intangible assets</u></b>									
Goodwill on consolidation	23,515,296	-	-	23,515,296	-	-	-	23,515,296	23,515,296
Goodwill	30,322,380	-	-	30,322,380	30,322,380	-	-	-	-
COMS Software	16,370,995	-	-	16,370,995	13,025,034	3,309,692	-	36,269	3,345,961
Software - Others	93,960,983	9,140,647	-	103,101,630	82,141,299	6,728,178	-	88,869,477	11,819,684
<b>Total</b>	<b>164,169,654</b>	<b>9,140,647</b>	<b>-</b>	<b>173,310,301</b>	<b>125,488,713</b>	<b>10,037,870</b>	<b>-</b>	<b>135,526,583</b>	<b>38,680,941</b>
<b><u>C. Intangible Assets under development</u></b>									
Software - ALCS	16,379,858	25,487,417	-	41,867,275	-	-	-	41,867,275	16,379,858
<b>Total</b>	<b>16,379,858</b>	<b>25,487,417</b>	<b>-</b>	<b>41,867,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,867,275</b>	<b>16,379,858</b>
<b>Grand Total</b>	<b>306,064,370</b>	<b>37,756,351</b>	<b>27,711,250</b>	<b>316,109,471</b>	<b>199,011,541</b>	<b>27,151,807</b>	<b>4,620,243</b>	<b>221,543,105</b>	<b>107,052,829</b>

**Note:**

- (1) The estimated useful lives of the assets have been revised in line with Schedule II of Companies Act, 2013; pursuant to which additional depreciation of Rs.7,025,379 on tangible assets has been charged to the Statement of Profit and Loss.
- (2) Subsequent to the year ended March 31, 2015, the management of the Company has intention to dispose off the building and discussion is at advanced stage. Accordingly, Building is classified as held for sale under "Other Current Assets" at book value as on the reporting date. Building is currently held for sale and hence reclassified to current assets as of March 31, 2015.
- (3) There is no revaluation of assets during the year.
- (4) There are no adjustments to Intangible Assets on account of borrowing costs and exchange differences.

# 11 NON-CURRENT INVESTMENTS

	Face Value Rupees	As at March 31, 2016		As at March 31, 2015	
		Number	Rupees	Number	Rupees
<b>Other than Trade Investments (At Cost)</b>					
<b>Unquoted Equity Instruments</b>					
<b>Investment in Subsidiaries (Fully paid-up)</b>					
TeamLease Education Foundation	10	10,000	100,000	10,000	100,000
National Employability Apprenticeship Services	10	10,000	100,000	10,000	100,000
<b>Total</b>		<b>20,000</b>	<b>200,000</b>	<b>20,000</b>	<b>200,000</b>
Aggregate Value of Unquoted Investments					
-At Book Value			200,000		200,000

# 12 DEFERRED TAX ASSETS

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Deferred Tax Assets:		
Provision for bad and doubtful debts	10,747,181	22,255,256
Difference between Book and Tax Depreciation	19,067,704	21,834,856
Provision for employee benefits		
--Gratuity	8,136,697	5,920,391
--Leave Encashment	7,436,366	5,890,682
--Bonus	-	1,297,778
<b>Total</b>	<b>45,387,948</b>	<b>57,198,963</b>

# 13 LONG-TERM LOANS AND ADVANCES

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Unsecured, considered good (unless otherwise stated)		
<u>Security Deposits</u>		
Rental Deposits	59,116,951	54,339,764
Other Deposits	12,398,908	7,089,268
<u>Other loans and advances</u>		
Prepaid Expenses	2,478,915	7,016,375
Balances with Service Tax Authorities	7,042,666	7,522,927
Loans and Advances to Related Parties (Refer Note 18.1)	149,033,320	122,324,933
Capital Advances	232,332	-
Balances with Income Tax Authorities (Net of provision for tax Rs.193,651,290 (Previous Year Rs. 96,122,627))	383,755,630	237,608,852
<b>Total</b>	<b>614,058,722</b>	<b>435,902,119</b>

# 14 OTHER NON-CURRENT ASSETS

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
<u>Long-Term Trade Receivables</u>		
Unsecured considered doubtful	16,612,097	62,314,515
Less: Provision for Doubtful Debts	(16,612,097)	(62,314,515)
	-	-
Fixed Deposits with banks with maturity period more than 12 months from reporting date *	40,345,130	10,916,262
<u>Others</u>		
Interest accrued on Fixed Deposits	969,547	558,450
Interest accrued but not due on Loan to Related party (Refer Note 30)	-	2,653,532
Reimbursement right for Gratuity (Refer Note 31 (d))	252,973,679	153,042,947
<b>Total</b>	<b>294,288,356</b>	<b>167,171,191</b>

\* Fixed deposits of Rs. 40,345,130 as at March 31, 2016 (Previous year Rs. 10,916,262) is under lien with various banks for the Guarantee issued to third parties on behalf of the Company. Refer Note 26(c).



Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016

<b>15 INVENTORIES</b>		<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
At Cost:			
Course ware		2,344,259	2,171,524
<b>Total</b>		<b>2,344,259</b>	<b>2,171,524</b>
<b>16 TRADE RECEIVABLES</b>		<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<u>Unsecured, Considered good</u>			
Outstanding for a period exceeding 6 months from the date they are due for payment		55,958,938	17,341,551
Others		1,148,702,855	795,159,999
		<b>1,204,661,793</b>	<b>812,501,550</b>
<u>Unsecured, Considered doubtful</u>			
Outstanding for a period less than 6 months from the date they are due for payment		14,610,150	6,042,243
Less: Provision for Doubtful Debts		(14,610,150)	(6,042,243)
<b>Total</b>		<b>1,204,661,793</b>	<b>812,501,550</b>
<b>17 CASH AND BANK BALANCES</b>		<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<b>(a) Cash And Cash equivalents</b>			
Balances with banks:			
In Current Accounts (Refer Note 37B)		495,886,753	218,490,337
		495,886,753	218,490,337
<b>(b) Other Bank Balances</b>			
In Fixed Deposit Accounts (Refer Note 37B)		1,283,705,787	270,616,920
(Maturity within 12 months from the date of acquisition)#			
Fixed Deposit Accounts		810,144,143	657,887,089
(Maturity more than 12 months but within one year from the reporting date) *			
<b>Total</b>		<b>2,589,736,683</b>	<b>1,146,994,346</b>
* Fixed deposits of Rs. 250,044,142 as at March 31, 2016 (Previous year Rs. 192,332,471) which are under lien with various banks for the Overdraft facilities and Guarantees issued by the Bank on behalf of the Company. Refer Note 26 (c).			
# Fixed deposits of Rs. 43,705,787 as at March 31, 2016 (Previous year Rs. 616,920) which is under lien, kept as securities with banks for the Overdraft facilities and Bank Guarantees. Refer Note 26 (c).			
<b>18 SHORT-TERM LOANS AND ADVANCES</b>		<b>As At March 31, 2016 Rupees</b>	<b>As At March 31, 2015 Rupees</b>
<u>Unsecured considered good</u>			
<u>Other Loans and Advances</u>			
Advances recoverable in Cash or in kind or for value to be received	12,748,625		6,879,028
Less: Provision for bad advances	(29,160)	12,719,465	6,849,868
Loans and Advances to Related Parties (Refer Note 18.1)		74,469,856	39,605,854
Prepaid Expenses		45,754,441	27,740,545
Rental Deposit		4,899,289	-
Other Deposits		21,190,000	-
Balances with Service Tax Authorities		588,000	576,520
Advances to Staff		4,499,562	3,144,591
<b>Total</b>		<b>164,120,613</b>	<b>77,917,378</b>



**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**18.1 The breakup of Loans and Advances to Related Parties is as below:  
(Refer Note 30)**

Loans to Related Parties:

TeamLease Education Foundation\*

Advances to Related Parties:

India Life Capital Private Limited

TeamLease Education Foundation

TeamLease Skills University

National Employability Apprenticeship Services

**Total**

\* The above loan has been given for its principal business purpose i.e. sponsoring of TeamLease Skills University ("TLSU"). The loan has been given at an Interest rate of 9% per annum and repayment would commence after enrolling a minimum of 3000 students on campus with TLSU.

Note: None of the loanees have made any investments in the shares of the Company and its subsidiaries.

**19 OTHER CURRENT ASSETS**

Interest accrued on Fixed Deposits

Unbilled Revenue (Refer Note 36)

Building held for sale

Reimbursement right for Gratuity (Refer Note 31 (d))

**Total**

**20 REVENUE FROM OPERATIONS**

(Net of Service Tax)

Sale of Services (Refer Note 36)

Other Operating Revenue

Recruitment Services

Skills and Development

Royalty and Affiliation Income

Corporate Training

Income from Regulatory Services

Payroll Income

**Total**

**21 OTHER INCOME**

Interest on Fixed Deposits

Interest on loans to related parties

Rental Income

Interest on Income Tax Refunds

Liabilities no longer required written back

Provision for doubtful Debts No Longer Required Written Back

Dividend Income on Mutual Fund Investments

Bad Debt recovered

Foreign Exchange Gains (Net)

Profit on slump sale

Miscellaneous Income

**Total**

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
TeamLease Education Foundation*	140,064,337	122,324,933
India Life Capital Private Limited	-	8,203
TeamLease Education Foundation	74,228,700	32,922,041
TeamLease Skills University	8,968,983	9,192,072
National Employability Apprenticeship Services	241,156	137,070
<b>Total</b>	<b>223,503,176</b>	<b>164,584,319</b>

	As At March 31, 2016 Rupees	As At March 31, 2015 Rupees
Interest accrued on Fixed Deposits	36,400,436	48,511,588
Unbilled Revenue (Refer Note 36)	623,905,785	184,894,256
Building held for sale	22,172,795	22,172,795
Reimbursement right for Gratuity (Refer Note 31 (d))	77,330,032	75,688,328
<b>Total</b>	<b>759,809,048</b>	<b>331,266,967</b>

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
Sale of Services (Refer Note 36)	24,681,869,398	19,731,355,532
<u>Other Operating Revenue</u>		
Recruitment Services	166,811,160	137,707,232
Skills and Development	62,672,578	87,890,862
Royalty and Affiliation Income	10,846,222	55,831,176
Corporate Training	-	8,318,056
Income from Regulatory Services	75,190,245	44,916,526
Payroll Income	51,794,690	4,678,574
<b>Total</b>	<b>25,049,184,293</b>	<b>20,070,697,958</b>

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
Interest on Fixed Deposits	89,244,016	79,799,646
Interest on loans to related parties	10,033,036	3,137,955
Rental Income	4,200,000	4,200,000
Interest on Income Tax Refunds	-	15,561,110
Liabilities no longer required written back	15,503,505	-
Provision for doubtful Debts No Longer Required Written Back	29,745,840	-
Dividend Income on Mutual Fund Investments	2,304,307	3,303,606
Bad Debt recovered	-	849,947
Foreign Exchange Gains (Net)	-	415
Profit on slump sale	-	603,896
Miscellaneous Income	3,371,953	6,444,362
<b>Total</b>	<b>154,402,657</b>	<b>113,900,937</b>

## 22 EMPLOYEE BENEFITS EXPENSE

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
Salaries, Wages and Bonus (Refer Note 36)	22,618,116,816	17,990,404,859
Contribution to Provident and Other Funds (Refer Note 31 (b) and (c))	1,636,574,703	1,356,316,278
Gratuity Net of Reimbursement Right (Refer Note 31(a), 31(d) and 31 (e))	7,288,892	5,362,637
Leave Encashment*	10,925,204	8,490,652
Employee Insurance	100,676,649	71,520,914
Staff Welfare	15,105,090	10,997,549
Staff Training Expenses	2,210,274	1,711,160
<b>Total</b>	<b>24,390,897,628</b>	<b>19,444,804,049</b>

\* Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the Year Ended March 31, 2016 and March 31, 2015.

### Provident Fund Trust

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.

### Gratuity

Every employee is entitled to a benefit equivalent to Fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is paid at the time of separation from the Company or retirement, whichever is earlier. The benefits vest in accordance with the Payment of Gratuity Act, 1972.

### Leave Encashment

Every employee is entitled to a leave encashment of 15 days of Paid Leave (Maximum carry forward of 30 days) calculated on gross pay. The same is paid at the time of separation from the Company or Retirement whichever is earlier.

## 23 FINANCE COSTS

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<u>Interest on Loans</u>		
- Banks	3,921,440	1,368,430
- Others	-	19,902
<b>Total</b>	<b>3,921,440</b>	<b>1,388,332</b>

## 24 DEPRECIATION AND AMORTISATION EXPENSE

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
Depreciation	10,298,189	17,113,937
Amortisation	19,778,471	10,037,870
<b>Total</b>	<b>30,076,660</b>	<b>27,151,807</b>

## 25 OTHER EXPENSES

	For the Year Ended March 31, 2016		For the Year Ended March 31, 2015	
	Rupees		Rupees	
Courseware Consumed		1,618,208		2,133,583
Rent		99,297,953		71,239,724
Rates and Taxes		2,491,754		3,044,082
Fines and Penalties		763,262		675
Electricity		13,893,413		11,987,533
Traveling and Conveyance		39,369,466		36,927,142
<u>Repairs and maintenance</u>				
- Leasehold Premises		1,085,892		224,618
- Others		50,132,008		32,992,555
Printing and Stationery		19,324,978		12,661,495
Communication		44,520,102		41,391,300
Legal and professional		47,300,042		27,279,749
Auditors' Remuneration (Refer Note 25.1)		5,136,632		2,992,600
Advertisement and Business Promotion		13,962,359		8,982,712
Security Charges		6,730,081		4,939,874
Brokerage		537,185		55,000
Bank Charges		1,510,144		860,653
Sundry Balances Written off (net)		653,173		360,085
Bad Debts written off	30,233,431		614,090	
Less: Related Provision for Doubtful Debts Written Back	(21,137,674)	9,095,757	-	614,090
Provision for Bad and Doubtful Debts		16,401,009		20,948,295
Office Expenses		604,894		727,970
Write off of Course ware Materials		-		122,970
Fees and Certification Charges		2,732,085		3,990,000
Foreign Exchange (Gain) / Loss (Net)		68,730		-
Directors Sitting Fees		391,250		-
Training Expenses		22,807,532		100,550,515
Donation		50,000		-
Loss on sale of Fixed Assets (Net)		-		342,290
<b>Total</b>		<b>400,477,909</b>		<b>385,369,510</b>

### 25.1 Auditors' Remuneration

	For the Year Ended March 31, 2016		For the Year Ended March 31, 2015	
	Rupees		Rupees	
Statutory Audit Fees		3,848,613		2,253,500
Tax Audit Fees		600,000		575,000
Other Services		500,000		-
Reimbursement of expenses		188,019		164,100
<b>Total</b>		<b>5,136,632</b>		<b>2,992,600</b>

In addition to above provision, the Company had paid Auditor's Remuneration of Rs. 15,771,992 (Previous Year Rs 2,247,200) towards Initial Public Offer of equity shares to the Statutory Auditors of the Company. Out of above, the Company has recovered Rs. 11,712,475 from the selling shareholders and Rs. 6,306,717 has been adjusted with the Securities Premium as share issue expense.

**25.2** Gross amount required to be spent by the Company towards corporate social responsibility expense (CSR) during the year is Rs. 4,084,379 (Previous Year Rs.732,723). The Company has not spent any amount towards CSR expenditure neither has created any provision thereof during the year and previous year. Accordingly, the movement in provision during the year is Nil.

## 26 CONTINGENT LIABILITIES AND COMMITMENTS

### (a) Contingent Liability

i. With respect to Employee State Insurance("ESI") demand raised in 2006, the Company had furnished documents in the prior year to justify no ESI liability for the balance amount of Rs. 504,467 (Previous year Rs. 504,467) which is pending for approval from ESI department.

ii. The Company had received Demand Order in the prior year under section 201(1) and 201(1A) of the Income Tax Act, 1961 for tax deducted at source of Rs. 770,794 (previous year Rs.770,974) for the Assessment Year 2010-11. The Company had filed appeal against the aforesaid demand in the prior year with the Commissioner of Income Tax (Appeals). The matter is pending as on date.

iii. The Company had received a demand of Rs.14,941,812 (Previous year: Rs.14,941,812) inclusive of penalty during the prior year from the Commissioner of Service Tax disallowing the cenvat availed against Group Medical Insurance and Personal Accident Policy for the period from October 2010 to July 2013. The said demand was disposed off in Company's favor by Central Excise and Service Tax Appellate Tribunal (CESTAT). The Commissioner of Service Tax Department had filed the case against this CESTAT order with the Hon'ble High court of Karnataka, Bangalore ('High Court') . This petition was disposed off by the High court on April 2, 2014 in Company's favor. In May 2015, the Commissioner of Service Tax Department had filed a petition with Supreme Court of India for condonation of delay in filing the special leave to appeal. Against this petition, condonation is granted by Supreme Court of India and there has been no further update as of the reporting date.

Further on April 19, 2016, the Company received show cause notice from the Commissioner of Service Tax, Bengaluru in respect of the above matter for the period from August 2013 to September 2015 for an amount of Rs 13,928,550. The Company on May 12, 2016, has responded against the show cause notice received and has sought one month extension from the department which is pending as on date.

iv. The Company has provided a corporate guarantee on behalf of TeamLease Skills University ('TLSU') to Tata Capital Financial Services Limited ("TCFSL") whereby the Company has guaranteed all the obligations of TLSU under the Operating Lease Agreement between TCFSL and TLSU dated July 24, 2014 executed in relation to the lease of computer equipment by TCFSL to TLSU of value not exceeding Rs.20,000,000 (Previous year Rs. 15,000,000).

v. Income tax matter in respect of Financial Year 2010-11 relating to IIJT Education Private Limited ("IIJT") for which an appeal has been filed with Commissioner of Income Tax (Appeals) on April 23, 2014 against demand notice of Rs. 2,284,370 (Previous year Rs. 2,284,370).

vi. Income tax matter in respect of Financial year 2012-13 relating to IIJT for which an appeal has been filed with Commissioner of Income Tax (Appeals) against demand notice of Rs. 9,60,076(Previous year Rs. NIL)

vii. During the year, IIJT has received a demand notice from Kolkata Municipal Corporation to pay additional amount of property tax of Rs. 3,416,100 and is in the process of filing an appeal against the aforesaid demand with the Kolkata Municipal Tribunal. Accordingly, this has been considered as contingent liability.

viii. Pursuant to the amendment of Payment of Bonus Act, 1965, the Company considers statutory bonus of Rs 334,933,022 in respect of the financial year 2014-15 as contingent liability (Refer Note 36 for further details).

As per the contractual agreement with the customers, Rs 333,296,946 in respect of associate employees is recoverable from the customers in case this liability arises.

### (b) Capital Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advance of Rs 232,332) as at March 31, 2016 is Rs 739,214 and (Previous Year Rs. NIL).

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**(c) Other Commitments**

Guarantees given by banks against Fixed Deposits as at March 31, 2016 is Rs. 75,996,838 (Previous year Rs.38,402,741).

(In Rupees)		
Guarantees against Fixed Deposit	As at March 31, 2016	As at March 31, 2015
National Stock Exchange of India Limited	21,200,000	-
REC Power Distribution Company Ltd	15,290,000	6,000,000
Development Support Agency of Gujarat	15,190,000	15,190,000
TATA Capital Financial Services Ltd	10,915,138	7,288,480
Uttar Pradesh Skill Development Society	3,280,207	1,200,000
Rural Electrification Corporation Ltd (RECL)	2,000,000	2,000,000
Director, Uttar Pradesh Skill Development Society	1,944,000	-
The State Project Director Rastriya Madhyamaik Shiksha Abhiyan	1,057,500	1,057,500
The Mission Director, Mission for Elimination of Poverty in Municipal Areas	1,000,000	1,000,000
Gateway Rail Freight Limited	1,000,000	1,000,000
TATA Capital Financial Services Ltd.,(Previously Macquarie Finance (India) Pvt Ltd.)	604,799	640,763
The Director Municipal Admistrat Urban Development Dept, Govt. of Jharkhand	505,500	505,500
Kerala Academy for skills excellence (KASE)	500,000	-
The Centre for Entrepreneurship Development(CED)	500,000	500,000
Additional Skill Acquisition Programme	343,560	-
Mission Director Jharkhand Skill Development Mission	230,300	-
Director General of Employment and Training	200,000	200,000
Employment Through Skills Training & Placement	135,812	-
ONGC Petro Additions Limited	100,022	-
The Chief Executive Officer Employment Generation & Marketing	-	500,000
The Mission Director, Mission for Elimination of Poverty in Municipal Areas (MEPMA)	-	500,000
Section Officer(Cash) Dept of Economic Affairs	-	130,000
Uttar Pradesh Skill Development	-	616,920
The Chief Executive Officer, Municipal Corporation, Ranchi	-	73,578
<b>Total</b>	<b>75,996,838</b>	<b>38,402,741</b>

**27 EARNINGS / EXPENDITURE IN FOREIGN CURRENCY**

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
<u>(a) Earning in Foreign Currencies</u>		
Staffing Income	-	305,754
	<b>-</b>	<b>305,754</b>
<u>(b) Expenditure in Foreign Currencies</u>		
License/Technical Fees	446,316	154,289
<b>Total</b>	<b>446,316</b>	<b>154,289</b>

**28 EARNINGS PER SHARE**

	For the Year Ended March 31, 2016 Rupees	For the Year Ended March 31, 2015 Rupees
Profit attributable to Equity shareholders	247,989,607	307,845,562
Weighted average number of Equity Shares:		
- For Basic and Diluted (Refer Note 3.14)	15,577,966	15,332,064
Nominal Value of Shares (Note a below)	10	10
Earnings per Share (EPS) ( In Rupees) (Note a below)		
- Basic and Diluted ( Face Value of Rs. 10 each)	15.92	20.08

Note a: During the year ended March 31, 2016, the Company has issued 148,209,952 bonus shares thereby increasing the number of equity shares to 153,320,640 of Re. 1 each and every 10 equity shares of Re.1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to Rs. 10 per share. Accordingly total 153,320,640 shares of Re.1 each post-bonus have been consolidated into 15,332,064 shares of Rs. 10 each by reducing 137,988,576 number of shares. Accordingly, Basic and Diluted earning per share has been adjusted for the year ended March 31, 2015 presented above in line with the Accounting Standard (AS)- 20 "Earnings per share" (Refer Note 3.10 and 3.11).

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016  
and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**29 LEASES**

(a) The Company has taken on operating lease office premises at various locations. The agreements are executed for a period ranging from 1 year to 9 years. Rents are accounted as per agreement and the effect of lease equalisation is not given as the increment in rent agreements are accepted based on the inflation factor.

(b) Rent payments are recognised in the Statements of Profit and Loss under the head "Rent" in Notes 25 "Other Expenses" for the year ended March 31, 2016 amounting to Rs. 99,297,953 respectively (Previous Year: Rs 71,239,724).

(c) The future minimum lease payments under non-cancellable operating lease are as below:

Minimum Lease Rental Payable	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Within 1 year	61,970,393	45,930,153
Later than one year but not later than 5 years	71,493,150	40,681,575
More than 5 years	NIL	NIL

**30 RELATED PARTY DISCLOSURE**

**(a) Related parties where control exists (Refer Note 3.3):**

Nature of Relationship	Name of the Party
Subsidiary Companies	TeamLease Education Foundation ('TLEF') National Employability Apprenticeship Services ('NEAS')

**(b) Other Related Parties:**

Key Management personnel and their relatives	Mr. Manish Sabharwal - Chairman & Promoter Mr. Ashok Kumar Nedurumalli - Managing Director & Promoter Mr. Mohit Gupta - Director (Resigned w.e.f July 31, 2015) Mr. Ravi Vishwanath - Chief Financial Officer Mr. Mruthunjaya Murthy- Company Secretary w.e.f May 07, 2015 Mrs. Asha Vishwanath - Relative of Mr. Ravi Vishwanath
Enterprises over which key Management Personnel are able to exercise significant influence with whom transactions have taken place	India Life Capital Private Limited ('ILCPL') Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') HR Offshoring Ventures Pte Limited ('HROV') (Refer Note 3.3)

Nature of Transactions	Name of Related Party	Subsidiary Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015
<b>ISSUANCE OF EQUITY SHARES</b>									
Issue of bonus shares (Refer Note 3.10)	HROV	-	-	-	-	77,490,900	-	77,490,900	-
	HANSINI	-	-	-	-	1,270,606	-	1,270,606	-
	Ravi Vishwanath	-	-	255,925	-	-	-	255,925	-
<b>Total-Issue of bonus shares</b>		-	-	255,925	-	78,761,506	-	79,017,431	-
<b>FINANCE</b>									
Loans given to related parties	TLEF	59,500,130	80,564,207				-	59,500,130	80,564,207
<b>Total-Loans given to related parties</b>		59,500,130	80,564,207	-	-	-	-	59,500,130	80,564,207
Repayment of loans/advances	TLSU	-	-	-	-	-	243,410	-	243,410
	HANSINI	-	-	-	-	-	3,732,290	-	3,732,290
Interest Paid	TLEF	11,683,264	-	-	-	-	-	11,683,264	-
<b>Total-Repayment of loans/advances by related parties</b>		11,683,264	-	-	-	-	3,975,700	11,683,264	3,975,700
Interest on loans to related parties	TLEF	10,033,036	2,948,350	-	-	-	-	10,033,036	2,948,350
	HANSINI	-	-	-	-	-	189,606	-	189,606
<b>Total-Interest on loans to related parties</b>		10,033,036	2,948,350	-	-	-	189,606	10,033,036	3,137,956
<b>OTHER RECEIPTS AND PAYMENTS</b>									
Service Charges / Rent Income	ILCPL	-	-	-	-	2,208,000	2,150,485	2,208,000	2,150,485
	TLEF	1,012,000	-	-	-	-	-	1,012,000	-
	TLSU	-	-	-	-	42,295,424	-	42,295,424	-
<b>Total-Service charges/Rent Income</b>		1,012,000	-	-	-	44,503,424	2,150,485	45,515,424	2,150,485

(In Rupees)

Nature of Transactions	Name of Related Party	Subsidiary Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015
Consideration of slump sale	TLSU	-	-	-	-	-	165,300	-	165,300
Employee Benefit expenses paid	TLEF	-	6,552,202	-	-	-	-	-	6,552,202
Total-Employee Benefit expenses paid	TLSU	-	-	-	-	-	510,930	-	510,930
		-	6,552,202	-	-	-	-	-	7,063,132
Other Expenses paid	NEAS	104,086	28,500	-	-	-	-	104,086	28,500
	TLEF	2,199,465	984,514	-	-	-	-	2,199,465	984,514
	TLSU	-	-	-	-	20,321	2,931,417	20,321	2,931,417
	ILCPL	-	-	-	-	48,744	63,941	48,744	63,941
Total-Other Expenses paid		2,303,551	1,013,014	-	-	69,065	2,995,358	2,372,616	4,008,372
Consultancy Fee	ILCPL	-	-	-	-	540,000	540,000	540,000	540,000
	TLSU	-	-	-	-	4,157,148	-	-	-
Total-Consultancy Fee		-	-	-	-	4,697,148	540,000	540,000	540,000
Remuneration to Key Management Personnel	Ashok Kumar Nedurumalli	-	-	4,572,950	4,457,150	-	-	4,572,950	4,457,150
	Manish Sabharwal	-	-	4,206,000	4,276,000	-	-	4,206,000	4,276,000
	Mohit Gupta	-	-	2,194,738	4,251,417	-	-	2,194,738	4,251,417
	Ravi Vishwanath	-	-	7,162,624	6,944,503	-	-	7,162,624	6,944,503
	Mruthunjaya Murthy	-	-	2,002,763	-	-	-	2,002,763	-
Total-Remuneration to Key Management Personnel		-	-	20,139,075	19,929,070	-	-	20,139,075	19,929,070
Rent Paid	Asha Vishwanath	-	-	600,000	600,000	-	-	600,000	600,000



Nature of Transactions	Name of Related Party	Subsidiary Company		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015	March 31 2016	March 31 2015
<b>OUTSTANDING BALANCES</b>									
<b>Receivables</b>									
Loans and Advances	ILCPL	-	-	-	-	-	8,203	-	8,203
Receivable (Inclusive of Interest) (Refer Note 18.1)	TLEF	214,293,037	155,246,974	-	-	-	-	214,293,037	155,246,974
	TLSU	-	-	-	-	8,968,983	9,192,072	8,968,983	9,192,072
	NEAS	241,156	137,070	-	-	-	-	241,156	137,070
<b>Total-Loans and advances Receivables</b>		<b>214,534,193</b>	<b>155,384,044</b>	<b>-</b>	<b>-</b>	<b>8,968,983</b>	<b>9,200,275</b>	<b>223,503,176</b>	<b>164,584,319</b>
Trade Receivables	TLSU	-	-	-	-	48,354,399	-	48,354,399	-
	TLEF	1,158,740	-	-	-	-	-	1,158,740	-
	ILCPL	-	-	-	-	491,146	-	491,146	-
<b>Total Trade Receivables</b>		<b>1,158,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,845,545</b>	<b>-</b>	<b>50,004,285</b>	<b>-</b>
Investments in Subsidiaries	TLEF	100,000	100,000	-	-	-	-	100,000	100,000
	NEAS	100,000	100,000	-	-	-	-	100,000	100,000
<b>Total-Investments in Subsidiaries</b>		<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>
<b>Total outstanding balances</b>		<b>215,892,933</b>	<b>155,584,044</b>	<b>-</b>	<b>-</b>	<b>57,814,528</b>	<b>9,200,275</b>	<b>273,707,461</b>	<b>164,784,319</b>
Guarantees given (Refer Note 26(a)(iv))	TLSU	-	-	-	-	20,000,000	15,000,000	20,000,000	15,000,000

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**31 a) EMPLOYEE BENEFITS - GRATUITY (Un-funded)**

The following tables summarize the components of the net employee benefit expenses recognised in the Statement of Profit and Loss the fund status and the amount recognised in the Balance sheets for the Gratuity.

Disclosure relating to actuarial valuation of Gratuity:

	<b>As at March 31 2016</b>	<b>As at March 31 2015</b>
<b>I. Assumptions</b>		
Discount Rate	7.40% p.a.	7.78% p.a.
Expected Return On Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	7% p.a.	7% p.a.
Attrition	36% p.a.	40% p.a.
Retirement	58 yrs.	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>		
Present Value Of obligation at the beginning of the year	18,800,942	16,609,959
Adjustment to present value	-	-
Interest Cost	1,295,854	1,168,877
Current Service Cost	6,376,531	5,746,727
Past Service Cost	-	-
Benefits Paid	(2,578,805)	(3,171,654)
Transfer In	-	-
Actuarial (gain) loss on Obligation	(383,493)	(1,552,967)
<b>Present Value Of obligation at the end of the year</b>	<b>23,511,029</b>	<b>18,800,942</b>
<b>III. Change in Fair Value Plan Assets:</b>		
Fair value of plan Assets beginning of the year	-	-
Expected Return On plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
<b>IV. Actuarial gain (loss) recognized</b>	<b>383,493</b>	<b>1,552,967</b>
<b>V. Balance Sheet Recognition</b>		
Present Value Of Obligation	23,511,029	18,800,942
Fair Value Of Plan Assets	-	-
Liability (assets)	23,511,029	18,800,942
Unrecognised Past Service Cost	-	-
<b>Liability (asset) recognised in the Balance Sheet</b>	<b>23,511,029</b>	<b>18,800,942</b>
<b>VI. Expenses Recognition</b>		
Current Service Cost	6,376,531	5,746,727
Interest Cost	1,295,854	1,168,877
Expected Return On plan assets	-	-
Net Actuarial gain (loss) recognised in the year	(383,493)	(1,552,967)
Past Service Cost	-	-
<b>Expenses Recognised in the statement of Profit and Loss</b>	<b>7,288,892</b>	<b>5,362,637</b>

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**VII. Movements in the liability recognised in Balance Sheet**

Opening net Liability	18,800,942	16,609,959
Adjustment to Present Value	-	-
Expenses	7,288,892	5,362,637
Contribution	(2,578,805)	(3,171,654)
Transfer In	-	-
Closing Net Liability	<b>23,511,029</b>	<b>18,800,942</b>

**VIII. Current and Non-Current Liability**

Current	7,597,952	7,040,091
Non-current	15,913,077	11,760,851

**IX. Experience adjustment**

Experience adjustment	(664,001)	(1,450,996)
Experience adjustment on Plan assets	NA	NA
Total experience adjustment	(664,001)	(1,450,996)

Present value of Defined Benefit Obligation Provident Plan assets; Deficit / (Surplus) on funded status and experience adjustment for earlier years:-

Particulars	Gratuity		
	March 31, 2014	March 31, 2013	March 31, 2012
Benefit Obligation	16,609,959	14,894,355	12,666,551
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	(1,543,451)	(887,204)	2,169,762
Experience adjustment on Plan Assets	NA	NA	NA

**b) EMPLOYEE BENEFITS - PROVIDENT FUND**

	As at March 31 2016	As at March 31 2015
Balance in Reserves and Surplus as per TeamLease Services Limited Employees Provident Fund Trust *	389,704,959	296,808,811
Provident Fund Obligations *	13,342,162	9,152,001
Discount Rate (per annum)	7.35%	7.93%
Average historic yield on the investment portfolio	9.17%	9.24%
Appropriate term (in years)	5 Years	5 Years
Remaining term to maturity of PF portfolio (in years)	6.52 Years	7.51 Years
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.

**c) During the year, the Company has recognised the following amounts in the Statements of Profit and Loss:-**

Particulars	March 31 2016 Rupees	March 31 2015 Rupees
Employers contribution to Provident Fund	1,193,648,900	959,089,286
Employees State Insurance Corporation	424,506,234	382,431,057
Provident Fund Administrative charges	18,419,569	14,795,935
<b>Total</b>	<b>1,636,574,703</b>	<b>1,356,316,278</b>

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**31 d) EMPLOYEE BENEFITS - GRATUITY (Un-funded)**

The Company has recognised gratuity liability and reimbursement right in respect of associate employees pursuant to paragraph 103 of Accounting Standard -15 notified under Companies (Accounting Standards) Rules, 2006 and accordingly disclosure has been made as required and to the extent provided by actuary.

Disclosure relating to actuarial valuation of Gratuity of associate employees:

	As at March 31, 2016	As at March 31, 2015
<b>I. Assumptions</b>		
Discount Rate	7.35% p.a.	7.78% p.a.
Expected Return on Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	10% p.a.	9.6% p.a.
Attrition	43% p.a.	44% p.a.
Retirement	58 yrs.	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>		
Present Value Of obligation at the beginning of the year	228,731,275	156,875,654
Adjustment to present value	-	-
Interest Cost	15,037,369	10,914,983
Current Service Cost	61,243,265	45,600,725
Past Service Cost	-	-
Benefits Paid	(48,282,435)	(33,160,482)
Transfer In	-	-
Actuarial (gain) loss on Obligation	73,574,237	48,500,395
<b>Present Value Of obligation at the end of the year</b>	<b>330,303,711</b>	<b>228,731,275</b>
<b>III. Change in Fair Value Plan Assets:</b>		
Fair value of plan Assets beginning of the year	-	-
Expected Return On plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
IV. Actuarial gain (loss) recognized	(73,574,237)	(48,500,395)
<b>V. Balance Sheet Recognition</b>		
Present Value Of Obligation	330,303,711	228,731,275
Fair Value Of Plan Assets	-	-
Liability and assets	330,303,711	228,731,275
<b>Liability and assets recognised in the Balance Sheet</b>	<b>330,303,711</b>	<b>228,731,275</b>
<b>VI. Expenses and Income Recognition</b>		
Current Service Cost	61,243,265	45,600,725
Interest Cost	15,037,369	10,914,983
Expected Return On plan assets	-	-
Net Actuarial gain (loss) recognised in the year	73,574,237	48,500,395
Past Service Cost	-	-
<b>Expenses and Income Recognised in the statement of Profit and Loss</b>	<b>149,854,871</b>	<b>105,016,103</b>
<b>VII. Movements in the liability and asset recognised in Balance Sheet</b>		
Opening net Liability and asset	228,731,275	156,875,654
Adjustment to Present Value	-	-
Expenses and Income	149,854,871	105,016,103
Contribution	(48,282,435)	(33,160,482)
<b>Closing Net Liability and asset</b>	<b>330,303,711</b>	<b>228,731,275</b>
<b>VIII. Current and Non-Current Liability and asset</b>		
Current	77,330,032	75,688,328
Non-current	252,973,679	153,042,947

e) The employee benefits expense towards gratuity and related reimbursement right for associate employees for year ended March 31, 2016 is Rs. 149,854,871 (Previous year Rs. 105,016,103) have been netted off in the Statement of Profit and Loss.

**IX. Experience adjustment**

Experience adjustment	62,598,899	40,168,152
Experience adjustment on Plan assets	NA	NA
Total experience adjustment	62,598,899	40,168,152

Present value of Defined Benefit Obligation Provident Plan assets; Deficit / (Surplus) on funded status and experience adjustment for earlier years:-

Particulars	Gratuity		
	March 31, 2014	March 31, 2013	March 31, 2012
Benefit Obligation	103,786,940	68,881,540	54,975,764
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	30,715,196	8,349,763	1,119,676
Experience adjustment on Plan Assets	NA	NA	NA

32 SEGMENT REPORTING

**(a) Business Segment:**

The business segment has been considered as the primary segment.

The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

The Company's primary business comprises of Staffing Operations, Recruitment Operations and Training Operations.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, likewise pertaining to Regulatory services, Payroll (including NETAPP Management Fees) and other administrative activities have been included under unallocated expenses/income.

Assets (including fixed assets) and liabilities that are directly attributable to segments are disclosed under each reportable segment. Common assets and liabilities have been allocated to each segment on the basis of their relationship to the operating activities of their segments. All other assets and liabilities are disclosed as unallocable.

**Information about primary business segment**

	Staffing Operations		Recruitment Operations		Training Operations		Unallocated		TOTAL	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>(i) Segment Revenue</b>										
External Revenue	24,681,869,398	19,731,355,532	166,811,160	137,707,232	73,518,800	152,040,093	126,984,935	49,595,101	25,049,184,293	20,070,697,958
Liabilities no longer required written back	11,245,391	-	-	-	19,592	-	4,238,522	-	15,503,505	-
Add: Interest / Dividend income	-	-	-	-	-	-	101,581,359	98,498,711	101,581,359	98,498,711
Add: Other Income	-	-	3,687,934	-	26,033,810	2,750,835	7,596,049	12,651,391	37,317,793	15,402,226
Total Revenue	24,693,114,789	19,731,355,532	170,499,094	137,707,232	99,572,202	154,790,928	240,400,865	160,745,203	25,203,586,950	20,184,598,895
<b>(ii) Segment Results</b>										
Income Taxes (Current and Deferred Tax)	-	-	-	-	-	-	130,223,706	18,039,635	130,223,706	18,039,635
Profit/(Loss) after tax	290,924,478	200,594,843	2,011,516	33,021,731	21,895,337	(5,647,262)	(66,841,724)	79,876,250	247,989,607	307,845,562
<b>(iii) Segment Assets</b>										
Total Assets	2,063,549,325	1,215,249,787	48,558,672	40,426,195	79,664,394	68,566,537	3,594,061,307	1,801,647,885	5,785,833,698	3,125,890,404
<b>(iv) Segment liabilities</b>										
Total liabilities	2,318,376,443	1,399,985,743	6,575,536	4,824,399	50,674,590	54,226,986	294,428,651	178,686,286	2,670,055,219	1,637,723,414
<b>(v) Capital Expenditure</b>										
	28,650,798	25,487,417	-	-	-	-	18,085,772	12,268,934	46,736,570	37,756,351
<b>(vi) Depreciation/Amortization</b>										
	11,785,212	-	-	-	36,270	-	18,255,178	27,151,807	30,076,660	27,151,807
<b>(vii) Non Cash Expenditure other than Depreciation</b>										
	-	-	-	-	-	-	44,364,035	36,241,019	44,364,035	36,241,019

**b) Geographical Segment:**

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

Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Note 33- Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

	Net Assets (Total Assets <i>minus</i> Total Liabilities)				Share in Profit or (Loss)			
	As a % of Consolidated Net Assets	Amount (Rs)	As a % of Consolidated Net Assets	Amount (Rs)	As a % of Consolidated Profit or (Loss)	Amount (Rs)	As a % of Consolidated Profit or (Loss)	Amount (Rs)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	For the year ended March 31, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2015
<b>TEAMLEASE SERVICES LIMITED</b>								
(1)	(2)	(3)	(2)	(3)	(4)	(5)	(4)	(5)
<b>Parent</b>								
TEAMLEASE SERVICES LIMITED	99.54%	3,101,559,276	99.39%	1,479,079,110	97.93%	242,858,284	99.81%	307,254,119
<b>Subsidiaries - Indian</b>								
IIJT Education Private Limited	0.46%	14,201,347	0.61%	9,057,191	2.07%	5,144,156	0.22%	672,683
India Tourism and Hospitality Skills Education Private Limited	-0.07%	(2,315,781)	-0.15%	(2,199,024)	-0.05%	(116,757)	-0.03%	(81,240)
<b>Net Goodwill (All on standalone companies reported above)</b>								
	0.75%	23,515,296	1.58%	23,515,296	0.00%	-	0.00%	-
<b>Intercompany elimination and other consolidated adjustments</b>								
	-0.68%	(21,181,659)	-1.43%	(21,285,582)	0.04%	103,924	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>3,115,778,479</b>	<b>100.00%</b>	<b>1,488,166,991</b>	<b>100.00%</b>	<b>247,989,607</b>	<b>100.00%</b>	<b>307,845,562</b>

**Note:** TeamLease Education Foundation and National Employability Apprenticeship Services being Section 8 Companies have not been consolidated in the consolidated financial statements.

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**34 A. Details of TeamLease Employee Stock Option Plan issued by the Trust (Refer Note 3.13)**

Name of the Scheme	TeamLease Employee Stock Option Plan 2015
Date of grant	1-Oct-15
Number Granted	32390
Exercise Price	Rs. 10
Vesting period	4 years
Vesting conditions	25% on expiry of 12 months from grant date
	25% on expiry of 24 months from grant date
	25% on expiry of 36 months from grant date
	25% on expiry of 48 months from grant date

**B.Movement in the options granted to employees**

Particulars	Number of Options
Outstanding at start of the year	-
Granted	32,390
Forfeited	-
Vested	-
Exercised	-
Outstanding at end of year	32,390
Exercisable at end of year	-

- 35** During the prior year, TeamLease received service tax Order for Rs 37,850,377 from Commissioner of Central Excise. As per the Order there is a penalty of equivalent amount. Further, interest at the applicable rate has also been levied. The management has already filed an appeal against this Order. The penalty and interest has neither been accounted for nor disclosed as contingent liability in the financial statements since in the opinion of the management and based on the legal opinion obtained from a Service Tax Practitioner, possibility of outflow of funds are remote.
- 36** During the year ended March 31, 2016, Payment of Bonus Act, 1965 ('the Act') has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2015) is required to be paid to the eligible employees. Based on expert legal opinion obtained by the company and stay orders from various high courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1.4.2014 in respect of statutory bonus has not been recognised and treated as contingent liability. Hence, the Company has recognized additional statutory bonus of Rs. 261,866,742 for the year ended March 31, 2016 forming part of salaries, wages and bonus with a corresponding amount included in provision for employee benefits payable as at March 31, 2016. Based on the contractual agreements with the customers, the amount in respect of associate employees is recoverable from them with the stated mark-ups and accordingly, revenue from sale of services to the tune of Rs. 266,732,063 (net of service tax) has been recognised with a corresponding amount included in unbilled revenue of Rs. 305,408,213 with service tax thereon as at March 31, 2016.

**Notes to the Consolidated Financial Statements forming part of Consolidated Balance Sheet as at March 31, 2016 and Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

**37 A) Amount utilised for share issue expenses**

Amount utilised for share issue expenses Rs. 120,377,368 includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

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

<b>Particulars</b>	<b>Amount (Rs)</b>
Issue Proceeds	1,499,999,250
Less: Issue Expenses	120,377,368
Net Proceeds of IPO	<b>1,379,621,882</b>
Amount Utilised as per the objects of the issue as per prospectus	-
Funds to be utilised (remain invested in current account and fixed deposits with banks)	<b>1,379,621,882</b>
Amount invested in Fixed Deposit Accounts	1,070,000,000
Balance lying in Current Accounts	309,621,882
<b>Total</b>	<b>1,379,621,882</b>

**38 Previous Year Figures**

Previous year's figures have been regrouped, re-arranged and reclassified wherever necessary to conform to the current period's classification.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Signatures to Note Number 1 to 38 forming part of the Consolidated Financial Statements.

**For Price Waterhouse & Co Bangalore LLP**  
Firm Registration Number: 007567S / S- 200012  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Partha Ghosh**  
Partner  
Membership No: 055913

**Ashok Kumar Nedurumalli**  
Managing Director  
DIN: 00151814

**Latika Prakash Pradhan**  
Director  
DIN: 07118801

**Ravi Vishwanath**  
Chief Financial Officer

**Mruthunjaya Murthy**  
Company Secretary  
CSN: 11766

Place : Bangalore  
Date : May 23, 2016

Place : Bangalore  
Date : May 23, 2016



**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**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details			
1	Name of the subsidiary	IIT Education Private Limited	Teamlease Education Foundation	National Employability Apprenticeship Services	India Tourism & Hospitality Skills Education Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2016	31.03.2016	31.03.2016	31.03.2016
3	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
4	Share capital	80,000,000	100,000	100,000	100,000
5	Reserves & surplus	(65,798,653)	(18,488,103)	(228,592)	(2,415,781)
6	Total assets	30,016,167	205,240,696	125,250	36,169
7	Total Liabilities	30,016,167	205,240,696	125,250	36,169
8	Investments	NIL	30,000,000	NIL	NIL
9	Turnover	69,59,644	2,705,000	NIL	NIL
	Profit/(loss) before taxation	5,144,156	299,583	(164,206)	(116,757)
	Provision for taxation	-	57,086	NIL	NIL
	Profit/(Loss) after taxation	5,144,156	242,497	(164,206)	(116,757)
	Proposed Dividend	-	-	-	-
	% of shareholding	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** – National Employability Apprenticeship Services and India Tourism & Hospitality Skills Education Private Limited are yet to commence operations.

**2. Names of subsidiaries which have been liquidated or sold during the year:** None

**Part “B”: Associates and Joint Ventures (Not Applicable)**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates or joint ventures	NA
1. Latest audited Balance Sheet Date	-
2. Shares of associate or joint venture held by the company as on the year end	-
Number	-
Amount of Investment in associate or joint venture	-
Extend of Holding%	-
3. Description of how there is significant influence	-
4. Reason why the associate or joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit/Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Manish Sabharwal  
Chairman  
DIN: 00969601

Ashok Kumar Nedurumalli  
Managing Director  
DIN: 00151814

Place: Bangalore  
Date: June 13, 2016



**TEAMLEASE SERVICES LIMITED**

CIN: U74140MH2000PLC124003

No.6, 3<sup>rd</sup> Floor, Laxmi Towers, Bandra Kurla Complex, Bandra (E) Mumbai 400051, India,

Tel: 91 80 33002345 Fax: 91 80 33243001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamlease.com](http://www.teamlease.com)

**16<sup>th</sup> Annual General Meeting – August 02, 2016**

July 04, 2016

**Dear member,**

You are cordially invited to attend the 16<sup>th</sup> Annual General Meeting of the members of TeamLease Services Limited ("the Company") to be held on Tuesday, August 02, 2016 at 3.00 pm IST at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050, Maharashtra, India.

The notice of the meeting, containing the business to be transacted is enclosed herewith. As per 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 members 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,

Mruthunjaya Murthy  
Company Secretary

***Enclosures forming part of the Annual Report:***

1. Notice to the 16<sup>th</sup> Annual General Meeting (AGM)
2. Instructions for e-voting
3. Proxy Form
4. Attendance Slip



## Notice to the 16<sup>th</sup> Annual General Meeting

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting (AGM) of the members of TeamLease Services Limited (CIN: U74140MH2000PLC124003) will be held on Tuesday, August 02, 2016 at 3.00 PM at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050, Maharashtra, India, to transact the following business:

### Ordinary Business

#### ITEM NO. 1: Adoption of financial statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors ("the Board") and Auditors thereon.

#### ITEM NO. 2: Appointment of Mr. Ashok Kumar Nedurumalli as a director liable to retire by rotation

To appoint a Director in place of Mr. Ashok Kumar Nedurumalli (DIN 00151814) who retires by rotation and being eligible, seeks re-appointment.

**Explanation:** Under the terms of clause 58 of the Articles of Association of the Company, executive directors and non-executive directors other than independent directors are liable to retire by rotation and can seek the reappointment. Mr. Ashok Kumar Nedurumalli was appointed as Managing Director of the company effective from September 03, 2015 for the period five years which was approved by the shareholders at the Annual General Meeting held on September 30, 2015. To the extent that Mr. Ashok Kumar Nedurumalli is required to retire by rotation, he would need to be re-appointed as whole-time director.

Therefore, shareholders are requested to consider and, if thought fit to pass with or without modification(s), 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, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Ashok Kumar Nedurumalli as whole-time Director to the extent that he is required to retire by rotation.

#### ITEM NO. 3: Appointment of auditors

To ratify the appointment of the auditors of the company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:

RESOLVED that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendation of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on September 30, 2014 the appointment of Price Waterhouse & Co Bangalore LLP, Chartered Accountants (Firm Registration Number - 007567S/S-200012) as the auditors of the company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

Registered office:  
No.6, 3<sup>rd</sup> Floor, Laxmi Towers,  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051

June 13, 2016

By Order of the Board of Directors



Mruthunjaya Murthy  
Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of not exceeding fifty members and holding in aggregate, not more than 10% of the total share capital of the Company.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed in all respect, must be deposited at the Company Registered office not less than 48 hours before commencement of the meeting (on or before July 31, 2016, 3.00 PM IST). A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
5. Members/Proxies/authorized representatives should be the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. 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 members at the AGM.
8. The Register of Members and Share Transfer Books will remain closed from July 27, 2016 to August 01, 2016 (both days inclusive) for the purpose of the AGM.
9. With a view to using natural resources responsibly, we request shareholders to update their email address with their depository participants to enable the Company to send communication electronically.
10. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has provided the facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited (Karvy). The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote-voting prior to AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
11. The Annual Report 2015-16, the Notice of the 16<sup>th</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
12. Members may also note that the Notice of 16<sup>th</sup> AGM and the Annual Report 2015-16 of the Company is posted in the Company's website [www.teamlease.com](http://www.teamlease.com). The physical copies of the documents will also be available at the Company's registered office for inspection during the business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)

13. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/declaration of their appointment/re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.
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. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the 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.
15. All documents referred to the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days upto the date of the AGM.
16. Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM hall.

Registered office:  
No.6, 3<sup>rd</sup> Floor, Laxmi Towers,  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051

June 13, 2016

By Order of the Board of Directors



Mruthunjaya Murthy  
Company Secretary



**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 Kumar Nedurumalli (DIN: 00151814)**

Mr. Ashok Kumar Nedurumalli is a co-founder and Managing Director of the Company and he oversees the operations of the company and represents the company before forums with major clients. Ashok holds bachelor degree in commerce from Shri Ram College of Commerce, University of Delhi and a diploma in Management from Indian Institute of Management, Bengaluru. Ashok is a first generation entrepreneur with 17 years of experience in the industry of human resource services. He has been awarded the “Skill 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 Kumar Nedurumalli holds directorship and committee chairmanship/membership:**

**Directorship:**

Nil

**Chairperson of Board Committees**

Nil

**Member of Board Committees**

Nil

**Shareholding in the company**

Nil

**Instructions for e-voting**

A detailed list of instructions for e-voting is annexed to this Notice.



**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: U74140MH2000PLC124003

No.6, 3<sup>rd</sup> Floor, Laxmi Towers, Bandra Kurla Complex, Bandra (E) Mumbai 400051, India,

Tel: 91 80 33002345 Fax: 91 80 33243001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamlease.com](http://www.teamlease.com)**16<sup>th</sup> Annual General Meeting – August 02, 2016**

Name of the member(s)	<input type="text"/>
Registered address	<input type="text"/> <input type="text"/>
E-mail	<input type="text"/>
Folio No. /Client ID	<input type="text"/>
DP ID	<input type="text"/>

I/We, being the member(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: \_\_\_\_\_

(contd...)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16<sup>th</sup> AGM of the Company, to be held on Tuesday, August 02, 2016 at 3.00 PM IST at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote <i>(Optional see Note 2)</i> (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	Adoption of financial statements (including the consolidated financial statements)			
2	Appointment of Mr. Ashok Kumar Nedurumalli as a director liable to retire by rotation			
3	Appointment of Auditors			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature of the member

\_\_\_\_\_  
Signature of the proxy holder(s)

**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 July 31 2016, at 3.00 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.

**THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

Affix  
revenue  
stamp of not  
less than  
Re 1

## Attendance slip



## TEAMLEASE SERVICES LIMITED

CIN: U74140MH2000PLC124003

No.6, 3<sup>rd</sup> Floor, Laxmi Towers, Bandra Kurla Complex, Bandra (E) Mumbai 400051, India,

Tel: 91 80 33002345 Fax: 91 80 33243001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamlease.com](http://www.teamlease.com)16<sup>th</sup> Annual General Meeting – August 02, 2016

Folio no./Client ID/DP ID :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member/proxy authorized representative for the member of the Company.

I hereby record my presence at the 16<sup>th</sup> Annual General Meeting of the Company at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050, Maharashtra, India on Tuesday, August 02, 2016 at 3.00 PM IST.



\_\_\_\_\_  
Name of the member/proxy  
(in BLOCK letters)

\_\_\_\_\_  
Signature of the member/proxy

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM.*

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**TEAMLEASE SERVICES LIMITED**

CIN: U74140MH2000PLC124003

No.6, 3<sup>rd</sup> Floor, Laxmi Towers, Bandra Kurla Complex, Bandra (E) Mumbai 400051, India, Tel: 91 80 33002345

Fax: 91 80 33243001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamlease.com](http://www.teamlease.com)**16<sup>th</sup> Annual General Meeting – August 02, 2016**

Registered Folio no./DP ID no./Client ID no.:	Number of shares held:
---	------------------------

Dear member,

**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 members to cast their votes electronically on all resolutions set forth in the Notice convening 16<sup>th</sup> Annual General Meeting to be held on Tuesday, August 02, 2016, at 3:00 PM IST. The Company has engaged the services of the Karvy to provide the e-voting facility. The Notice is displayed on the Company's website, [www.teamlease.com/investors](http://www.teamlease.com/investors) and on the website of Karvy, [www.karvy.com](http://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
<b>2434</b>		

The e-voting facility will be available during the following voting period:


Commencement of e-voting	End of e-voting
<b>July 29, 2016 at 9:00 am IST</b>	<b>August 01, 2016 at 5:00 pm IST</b>

Please read the instructions printed below before exercising your vote:

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on August 02, 2016.

**Steps for e-voting**

1. Open the internet browser and type the following URL

<a href="https://evoting.karvy.com">https://evoting.karvy.com</a>	
---	---

2. Click on **Shareholder-Login**
3. If you are already registered with Karvy for e-voting, then you can use your existing User ID and Password for Login.

### Instructions for e-voting

**Remote e-voting:** In compliance with Regulation 44, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for the purpose of providing e-voting facility to all its members. The instructions for e-voting are as follows:

(A) In case a member receives an email from Karvy [for members 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 Member 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. Members 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, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (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](mailto:scrutinizer@teamlease.com) with a copy marked to [evoting@karvy.com](mailto: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 Members receiving physical copy of Notice [for Members 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 Members, 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 Meeting. Members who have already cast their votes by Remote e- voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member 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, Members 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](mailto: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 July 29, 2016 (9:00 A.M. IST) and ends on August 01, 2016 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 26, 2016, may cast their votes electronically. A person who is not a Member 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 Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members 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. July 26, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. July 26, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member 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
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.

## NOTES

[illegible]





**TeamLease**<sup>TM</sup>  
Putting India to Work

[www.teamlease.com](http://www.teamlease.com)