

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

We have audited the accompanying standalone financial statements of **TEAMLEASE DIGITAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with India Accounting Standards as prescribed under section 133 of the Act, read with the companies (Indian Accounting Standards) rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its losses, its total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis of our Opinion

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



No. 361, 1 Floor, 7th Cross,
1 Block Jayanagar, Bangalore - 560 011.
Ph: +91 80 26569500
Telefax: +91 80 26569501
Email: contact@manian-rao.com

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise of the Director's Report (but does not include the standalone financial statements and our auditor's report thereon). The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the IND AS and other accounting principles generally accepted in India

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

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

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



Auditor's Responsibility for Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer to Note 38 to the standalone financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,
Chartered Accountants
FRN: 001983S


Paresh Daga

Partner

M.No. 211468



Place: Bangalore

Date: 22nd May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of TEAMLEASE DIGITAL PRIVATE LIMITED ("the Company") as of March 31, 2019 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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

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

For Manian & Rao,
Chartered Accountants
FRN: 001983S


Paresh Daga

Partner

M.No. 211468

Place: Bangalore

Date: 22nd May, 2019



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (ii) The Company is in the business of providing Manpower & IT services. Accordingly, it does not hold any physical inventories. Thus reporting on paragraph 3(ii) of the Order is not applicable.
- (iii) According to information and explanation provided to us, the Company has granted unsecured loans to two of its subsidiaries covered in the register maintained under Section 189 of the Companies Act, 2013.
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the subsidiaries listed in the register maintained under Section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company.
- (b) In the case of the loans granted to the subsidiaries listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of interest and there is no stipulation of schedule of repayment of principal amount.
- (c) There are no overdue amounts in respect of the loans granted to the subsidiaries listed in the registered maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of The Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly paragraph 3(v) of the order is not applicable.

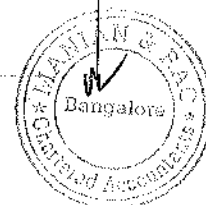


- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the Services rendered by the Company and therefore provision of section 3(v) of the order is not applicable to the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues (other than as detailed below), including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. As on March 31, 2019 the Company had undisputed statutory dues outstanding for a period of more than six months from the date they became payable. Details of the same is as under:

Nature of Dues	Amount Involved (INR in lakhs) relating to prior years	Amount Involved (INR lakhs) relating to FY 2018-19
Tax Deduction at source including interest thereon	40.64	-
Provident Fund	29.84	8.19
Professional Tax	1.29	0.05
Service Tax including interest thereon	20.27	-
Employee's State Insurance	1.63	-

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (INR in lakhs)
The Income Tax Act, 1961	Income Tax	ITAT	A.Y 2007-08	33.51
The Income Tax Act, 1961	Income Tax	ITAT	A.Y 2014-15	34.74
The Income Tax Act, 1961	Income Tax	CIT(A)	A.Y.2016-17	24.83



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks or government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer or term loans. During the year company has raised money by issuing compulsorily convertible debentures and in our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of debentures for the purpose for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year and accordingly paragraph 3(xi) of the order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manian & Rao,
Chartered Accountants
FRN: 001983S



Paresh Daga
Partner
M. No. 211468



Place: Bangalore
Date: 22nd May, 2019

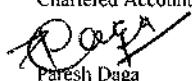
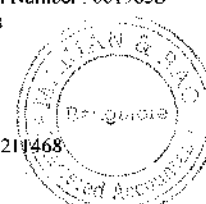
Teamlease Digital Private Limited (Formerly Team Lease Staffing Services Private Limited)
 Standalone Balance Sheet as at 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	95.06	111.33
Goodwill	5	5,792.02	6,539.37
Other intangible assets	5	648.35	961.35
Financial assets			
Investments	6	5,410.15	5,410.15
Loans	7	0.22	0.22
Other financial assets	8	15.52	14.54
Deferred tax assets (net)	10	480.38	367.16
Income tax assets (net)	11	2,222.93	1,658.95
Other non-current assets	12	202.27	-
Total non-current assets		14,866.90	15,063.08
Current assets			
Financial assets			
Trade receivables	13	1,703.34	1,582.21
Cash and cash equivalents	14	12.60	131.44
Bank balances other than cash and cash equivalents	15	143.45	135.03
Loans	7	733.26	947.74
Other financial assets	8	5.51	937.05
Contract Assets	9	1,451.53	-
Other current assets	16	252.40	76.51
Total current assets		4,302.09	3,809.97
Total assets		19,168.99	18,873.04
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	473.50	473.50
Other equity	18	639.40	1,630.89
Total equity		1,112.90	2,104.39
LIABILITIES			
Non-current liabilities:			
Financial liabilities			
Borrowings	19	13,320.00	11,600.00
Provisions	20	42.56	39.13
Total non-current liabilities		13,362.56	11,639.13
Current liabilities:			
Financial liabilities			
Borrowings	19	3,105.55	2,983.18
Trade payables			
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than (a) above	21	95.82	84.66
Other financial liabilities	22	1,174.50	1,724.41
Provisions	20	17.67	8.80
Other current liabilities	23	299.98	328.48
Total current liabilities		4,693.52	5,129.52
Total liabilities		18,056.08	16,768.66
Total equity and liabilities		19,168.99	18,873.04

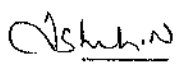
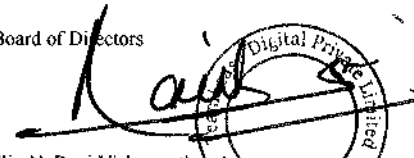
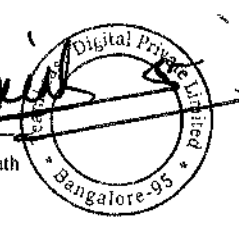
Summary of significant accounting policies 3

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

As per our report of even date.

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

 Paresh Daga
 Partner
 Membership Number: 211468


For and on behalf of the Board of Directors


 Ashok Kumar Nedurumalli
 Director
 DIN: 00151814

 N. Ravi Vishwanath
 Director
 DIN: 07332234


Place: Bangalore
 Date: May 22, 2019

Place: Bangalore
 Date: May 22, 2019

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

Standalone Statement of Profit and Loss for the year ended 31 March 2019

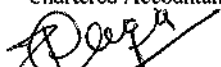
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	24	11,742.09	9,866.76
Other income	25	162.24	45.52
Total income		11,904.33	9,912.27
Expenses			
Employee benefits expense	26	10,060.62	8,055.93
Finance Costs	27	1,346.90	1,005.67
Depreciation and amortization expense	28	1,087.18	1,092.25
Other expenses	29	540.64	646.29
Total expenses		13,035.34	10,800.14
Profit/(Loss) before tax		(1,131.01)	(887.87)
Tax expense:			
- Current tax (Including MAT)		-	-
- Tax adjustment for earlier years		-	(74.54)
- Deferred tax	30	(120.87)	276.73
Deferred tax charge/ (credit)			
Income tax expense(net)		(120.87)	202.19
Profit/(Loss) after tax for the year		(1,010.14)	(1,090.06)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	33		
Remeasurement gains/(losses) of defined benefits obligation		26.31	22.89
Income tax effect		(7.66)	(6.67)
Other comprehensive income for the year, net of tax		18.65	16.23
Total comprehensive income/(loss) for the year, net of tax		(991.49)	(1,073.83)
Earnings per equity share of Rs. 10 each:			
Basic (Rs.)	31	(21.33)	(31.93)
Diluted (Rs.)	31	(21.33)	(31.93)
Summary of significant accounting policies	3		

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

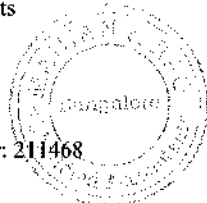
As per our report of even date

For MANIAN & RAO
ICAI Firm Registration Number : 0019835
Chartered Accountants


Paresh Daga

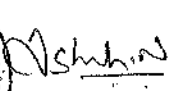
Partner

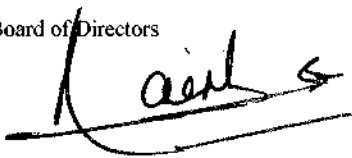
Membership Number: 211468



For and on behalf of the Board of Directors




Ashok Kumar Nedurumalli
Director
DIN: 00151814


N. Ravi Vishwanath
Director
DIN: 07332234

Place: Bangalore
Date: May 22, 2019

Place: Bangalore
Date: May 22, 2019

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
 Standalone Statement of Changes in Equity for the year ended 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount
Equity shares of Rs. 10 each:		
At 1 April 2017	34,10,000	341.00
Additions during the year	13,25,000	132.50
At 31 March 2018	47,35,000	473.50
Additions during the year	-	-
At 31 March 2019	47,35,000	473.50

* Also refer note 17

b. Other equity

Particulars	Attributable to equity holders of the Company		Total other equity
	Reserves and surplus		Total
	Securities premium	Retained earnings	
For the year ended 31 March 2018			
As at 1 April 2017	1,360.00	814.72	2,174.72
Profit/(Loss) for the year	-	(1,090.06)	(1,090.06)
Other comprehensive income	-	16.23	16.23
Total comprehensive income	1,360.00	(259.11)	1,100.89
Premium received on issue of shares	530.00	-	530.00
As at 31 March 2018	1,890.00	(259.11)	1,630.89
For the year ended 31 March 2019			
As at 1 April 2018	1,890.00	(259.11)	1,630.89
Profit/(Loss) for the year	-	(1,010.14)	(1,010.14)
Other comprehensive income	-	18.65	18.65
Total comprehensive income	1,890.00	(1,250.60)	639.40
Premium received on issue of shares	-	-	-
As at 31 March 2019	1,890.00	(1,250.60)	639.40

* Also refer note 18

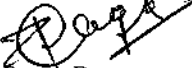
Summary of significant accounting policies

3

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

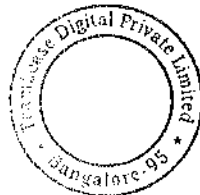
As per our report of even date

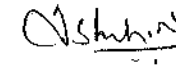
For MANIAN & RAO
 ICAI Firm Registration Number : 001983S
 Chartered Accountants

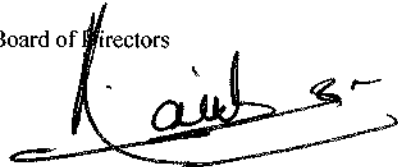

 Paresh Daga
 Partner
 Membership Number: 211468



For and on behalf of the Board of Directors




 Ashok Kumar Nedurumalli
 Director
 DIN: 00151814



N. Ravi Vishwanath
 Director
 DIN: 07332234

Place: Bangalore
 Date: May 22, 2019

Place: Bangalore
 Date: May 22, 2019

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
 Standalone Statement of Cash Flows for the year ended 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Operating activities			
Profit/(Loss) before tax		(1,131.01)	(887.87)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		26.83	32.21
Amortisation of intangible assets		313.00	312.68
Amortization of Goodwill		747.36	747.36
Finance Costs		1,346.90	1,005.67
Interest income		(87.02)	(19.68)
Fair value adjustments (net)		0.08	-
Liabilities no longer required written back		-	(25.46)
Sundry balances written off		1.03	15.49
Bad debts / advances written off and provided for		88.48	82.27
Provision for Gratuity		30.58	29.95
Provision for Leave Encashment (Net of reversals)		23.44	(25.82)
Operating cash flows before working capital changes		1,359.68	1,266.80
Working capital adjustments			
(Increase)/decrease in trade receivables		(205.39)	(652.74)
(Increase)/decrease in loans		(15.34)	12.91
(Increase)/decrease in other financial assets		931.63	(116.00)
(Increase)/decrease in contract assets		(1,451.53)	-
(Increase)/decrease in other current assets		(176.41)	(23.78)
Increase/(decrease) in trade payables		11.16	(16.35)
Increase/(decrease) in other financial liabilities		112.52	192.49
Increase/(decrease) in other current liabilities		(28.50)	61.37
Increase/(decrease) in provisions		(15.41)	(29.20)
Cash generated from operating activities		522.42	695.50
Income tax paid (including TDS) (net of refunds)		(563.97)	(900.99)
Net cash flows from operating activities (A)		(41.56)	(205.49)
Investing activities			
Purchase of property, plant and equipment (including CWIP)		(10.56)	(27.38)
Purchase/sale of Non-current investments		(662.43)	(3,505.31)
Advance given towards acquisition of business		(202.27)	-
Loan given to related parties (net of repayments)		225.00	(910.10)
Amounts invested in fixed deposits with banks		(8.43)	(12.39)
Interest received		85.95	19.12
Net cash flows from / (used in) investing activities (B)		(572.75)	(4,436.05)
Financing activities			
Proceeds from issue of equity share capital		-	662.50
Proceeds from issue of compulsorily convertible debentures (CCDs)		660.00	3,630.00
Application money received towards subscription of securities		1,060.00	-
Proceeds from borrowings (Net of repayments)		(217.07)	1,024.28
Interest on borrowings (including CCDs)		(1,346.90)	(1,145.73)
Net cash flows from / (used in) financing activities (C)		156.03	4,171.05
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(458.28)	(470.50)
Cash and cash equivalents at the beginning of the period/year		(474.41)	(3.92)
Cash and cash equivalents at the end of the period/year		(932.69)	(474.41)

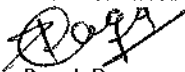
Summary of significant accounting policies

3

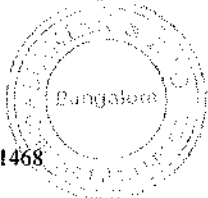
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

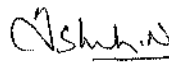
For MANIAN & RAO
 ICAI Firm Registration Number : 001983S
 Chartered Accountants



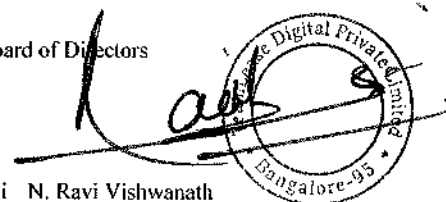
Paresh Daga
 Partner
 Membership Number: 211468



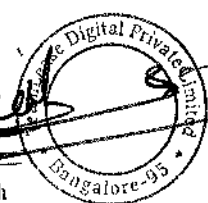
For and on behalf of the Board of Directors



Ashok Kumar Nedurumalli
 Director
 DIN: 00151814



N. Ravi Vishwanath
 Director
 DIN: 07332234



Place: Bangalore
 Date: May 22, 2019

Place: Bangalore
 Date: May 22, 2019

1 Corporate information

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

The Company is a 100% subsidiary of TeamLease Services Limited.

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

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on May 22, 2019.

2 Basis of preparation

(i) Compliance with Ind AS

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

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted for the previous year might not always add up to the year figures in the accounting policy.

(ii) Historical cost convention

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

- Certain financial assets and liabilities measured at fair value as explained in the accounting policies below; and
- Defined benefit plans plan assets measured at fair value;

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

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

(iii) Standards applied for the first time

The company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 April, 2018:

- IND AS 115: Revenue from Contracts with Customers
- Amendment to IND AS 12: Income taxes
- Amendment to IND AS 28: Investment in Associates and Joint Ventures
- Appendix B, Foreign Currency Transactions and Advance Consideration to IND AS 21, The Effects of Changes in Foreign Exchange Rates
- IND AS 112: Disclosure of Interests in Other Entities

3 Summary of significant accounting policies

3.1 Current versus non-current classification

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

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

All other assets are classified as non current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Advance tax paid is classified as non-current assets.

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

3.2 Foreign currency translation

(i) Functional and presentation currency

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

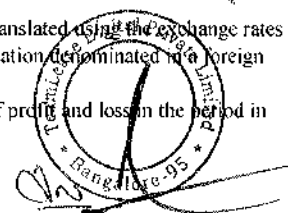
(ii) Transactions and balances

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

1) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

2) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are translated using the exchange rates at the date of the initial transactions. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when fair value was determined.

3) Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.



3.3 Revenue Recognition

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

Effective 1st April, 2018, the company adopted INDAS 115 (Revenue from Contracts with customers) using Modified Retrospective approach. In accordance with the modified retrospective approach, the comparatives have not been retrospectively adjusted. Following is the summary of the new and/or revised significant accounting policy relating to revenue recognition. The effect of adoption of INDAS 115 is presented in note 43.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange of those services.

Manpower services

Revenue from manpower services is accounted when the company satisfies the performance obligation agreed in the contract/Mandate letter between the company and its customers.

ITES/Business Process Services

Revenue from fixed price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Cost expended have been used to measure progress towards completion.

Revenue in excess of invoicing are classified as Contract Assets while invoicing in excess of revenue are classified as Contract liability.

Company disaggregates revenue from contract with customers by nature of services.

Use of Significant judgements in revenue recognition

1) The company's contracts with customers could include promises to transfer multiple services to a customer. The company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

2) Judgement is also required to determine the transaction price for the contracts. The company uses judgement to allocate the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

3) The company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customers consumes benefits as services are rendered or who controls the asset as it is being created or existence of the enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customers etc.

4) Revenue for fixed price contract is recognized using percentage pf completion method. The company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

3.4 Taxes

Income Tax

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

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



Deferred tax

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

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

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

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

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

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

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

3.5 Leases

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

As a lessee

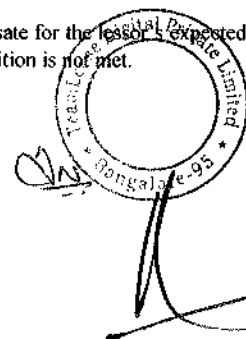
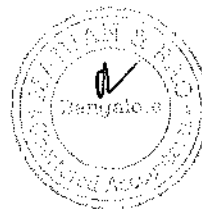
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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

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

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

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



3.6 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives

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

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

3.7 Intangible assets

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

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

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

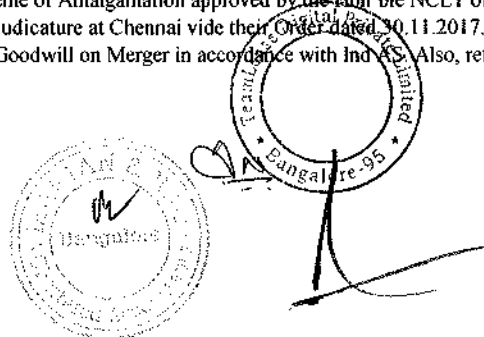
Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

The Company has been amortizing Goodwill on Merger in accordance with the Scheme of Amalgamation approved by the Hon'ble NCLT of judicature at Mumbai vide its order dated 16.11.2017 and by the Hon'ble NCLT of judicature at Chennai vide their Order dated 30.11.2017. Had the scheme not prescribed this treatment, then the Company would have accounted Goodwill on Merger in accordance with Ind AS. Also, refer Note 42 for the details on Scheme of Amalgamation.



3.8 Impairment of non-financial assets

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

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

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

3.9 Investments in subsidiaries and associates

(i) Initial recognition

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

(ii) Subsequent measurement

Investments in equity shares of subsidiaries and associates are accounted either

(a) at cost, or

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

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

3.10 Financial instruments

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

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

Effective interest method

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

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost through effective interest rate if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

Impairment of financial assets

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

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

Equity instruments

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

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



Derecognition of financial assets

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

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

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

(ii) Financial Liabilities

Financial liabilities at amortised cost

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

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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

Derecognition of financial liabilities

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

(iii) Offsetting of financial instruments

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

(iv) Fair value of financial instruments

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

Fair value hierarchy:

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

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

3.11 Cash and cash equivalents

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

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

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



A handwritten signature in black ink, written over the circular stamp.

3.12 Employee benefits

Post-employment obligations

The company operates the following post-employment schemes:

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

Defined benefit plan

Gratuity obligations

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

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

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

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

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

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

Defined contribution plan

Contribution to Government Provident Fund

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

Compensated absences

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

3.13 Provisions and contingent liability

Provision

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

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

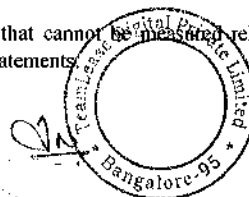
Warranty provisions

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

Contingent liability

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

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



3.14 Cash dividend distribution to equity holders

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

3.15 Earnings Per Share (EPS)

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

3.16 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

Impairment of non-financial assets

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

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 33.



Useful life of assets considered for depreciation of Property, Plant and Equipment and amortisation of Intangible assets

The charge in respect of periodic depreciation/amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

Taxes

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 for further disclosures.

Contingent liabilities:

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

Other estimates:

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

3.17 Operating segment

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of Company and allocated resources based on the analysis of various performance indicators of the Company. The Company operates in only one segment and hence segment reporting is not applicable.

3.18 Recent accounting pronouncements

1) Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

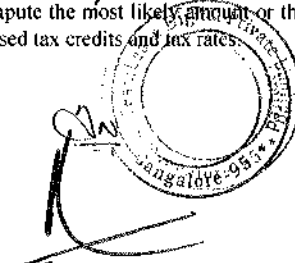
Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

2) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

3) Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

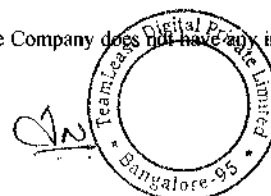
Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

4) Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



A large, stylized handwritten signature in black ink.

Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 4: Property, plant and equipment

	Office equipment	Computers	Furniture & fixtures	Vehicles	Total
Gross Carrying Amount at 1 April 2017	49.68	79.48	78.64	13.80	221.60
Additions	12.94	4.54	9.90	-	27.38
Disposals	-	-	-	-	-
As at 31 March 2018	62.61	84.02	88.55	13.80	248.98
Additions	9.60	-	0.96	-	10.56
Disposals	-	-	-	-	-
As at 31 March 2019	72.22	84.02	89.51	13.80	259.54
Accumulated depreciation					
As at 1 April 2017	24.96	63.44	14.87	2.16	105.44
Charge during the year	9.61	10.69	10.27	1.64	32.21
Disposals	-	-	-	-	-
As at 31 March 2018	34.58	74.13	25.14	3.80	137.65
Charge during the year	9.81	4.37	11.01	1.64	26.83
Disposals	-	-	-	-	-
As at 31 March 2019	44.38	78.50	36.15	5.44	164.48
Net Carrying Amount					
As at 1 April 2017	24.71	16.03	63.78	11.64	116.17
As at 31 March 2018	28.04	9.89	63.41	10.00	111.33
As at 31 March 2019	27.83	5.51	53.36	8.36	95.06

Notes:

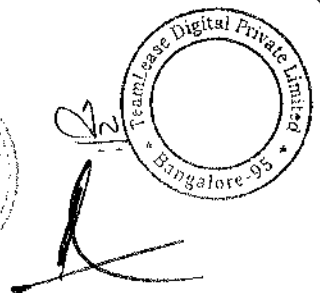
1. There has been no impairment losses recognised during the year or previous year.

Note 5: Goodwill & Other Intangible assets

	Customer relationships	Brand	Non compete rights	Software - Others	Total	Goodwill
Gross Carrying Amount at 1 April 2017	1,034.14	50.26	252.25	18.08	1,354.73	7,473.57
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 March 2018	1,034.14	50.26	252.25	18.08	1,354.73	7,473.57
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 March 2019	1,034.14	50.26	252.25	18.08	1,354.73	7,473.57
Accumulated amortisation						
As at 1 April 2017	55.08	4.67	17.08	3.87	80.70	186.84
Charge during the year	220.32	18.68	68.34	5.34	312.68	747.36
Disposals	-	-	-	-	-	-
As at 31 March 2018	275.40	23.35	85.42	9.21	393.38	934.20
Charge during the year	220.32	18.68	68.34	5.66	313.00	747.36
Disposals	-	-	-	-	-	-
As at 31 March 2019	495.72	42.03	153.76	14.86	706.38	1,681.55
Net Carrying Amount						
As at 1 April 2017	979.06	45.59	235.16	14.22	1,274.03	7,286.73
As at 31 March 2018	758.74	26.91	166.83	8.87	961.35	6,539.37
As at 31 March 2019	538.42	8.23	98.49	3.22	648.35	5,792.02

Notes:

1. There has been no impairment losses recognised during the year or previous year.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 6: Investments

Investments -non current
Unquoted carried at cost

(i) Investments in subsidiaries (at cost)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Keystone Business Solutions Private Limited (KBS) 42,627 (31 March 2018: 42,627) equity shares of Rs. 10 each, fully paid (Refer note 1 below)	820.00	820.00
Evolve Technologies and Services Private Limited (ETSPL) 3,518,250 (31 March 2018: 3,518,250) equity shares of Rs. 10 each, fully paid (Refer note 2 below)	4,590.15	4,590.15
Less: Provision for Diminution in the Value of Investments	<u>-</u>	<u>-</u>
	<u>5,410.15</u>	<u>5,410.15</u>
Aggregate Value of Unquoted Investments	5,410.15	5,410.15
Aggregate amount of provision for diminution in the value of investments	-	-

Notes:

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

3) Interest in other entities- Subsidiaries

The company's subsidiaries at 31st March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the company and the proportion of ownership interests held equals the voting rights held by the company. The country of incorporation or registration is also their principal place of Business.

Ownership interest held by the group

Name of the Entity	Place of business/ country of incorporation	31st March 2019 (%)	31st March 2018 (%)	Principal Activities
Keystone Business Solutions Private Limited (KBS)	India	100	100	IT Staffing
Evolve Technologies and Services Private Limited (ETSPL)	India	100	100	Telecom Staffing

Note 7: Loans

Non-current

(Unsecured, considered good)

Security deposit

Other Deposits

Current

Loans to subsidiary companies (refer note 37)

Security deposit

	<u>31 March 2019</u>	<u>31 March 2018</u>
Security deposit	-	-
Other Deposits	0.22	0.22
	<u>0.22</u>	<u>0.22</u>
Loans to subsidiary companies (refer note 37)	685.10	910.10
Security deposit	48.16	37.64
	<u>733.26</u>	<u>947.74</u>

Note 8: Other financial assets

Non-current

Interest accrued on fixed deposits

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

Current

Interest accrued on fixed deposits

Unbilled revenue (Refer note 9 (ii))

	<u>31 March 2019</u>	<u>31 March 2018</u>
Interest accrued on fixed deposits	2.29	1.32
Fixed deposits with banks (maturity of more than 12 months)	13.23	13.23
	<u>15.52</u>	<u>14.54</u>
Interest accrued on fixed deposits	5.51	5.42
Unbilled revenue (Refer note 9 (ii))	-	931.63
	<u>5.51</u>	<u>937.05</u>
	<u>21.03</u>	<u>951.59</u>

Note 9: Contract Assets

Non-current

IT Consulting Services

Current

Staffing Services

IT Consulting Services

	<u>31 March 2019</u>	<u>31 March 2018</u>
IT Consulting Services	-	-
Staffing Services	1,423.53	-
IT Consulting Services	28.00	-
	<u>1,451.53</u>	<u>-</u>
	<u>1,451.53</u>	<u>-</u>

(i) Change in Contract Assets

Balance at the beginning of the year

Revenue recognised during the year

Invoices raised during the year

Balance at the end of the year

Balance at the beginning of the year	931.63
Revenue recognised during the year	1,433.72
Invoices raised during the year	(913.83)
Balance at the end of the year	1,451.53

Note 10: Deferred tax assets (net)

Deferred tax assets/(liabilities)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Deferred tax assets/(liabilities)	480.38	367.16
	<u>480.38</u>	<u>367.16</u>



[Handwritten signature]



Teamlease Digital Private Limited (Formerly Team Lease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

As at	Provision for bad and doubtful debts / advances	Depreciation on fixed assets	Provision for leave encashment and gratuity	Unabsorbed business losses / unabsorbed depreciation*	Others	Total
1 April 2017	54.97	176.78	31.70	387.12	-	650.57
Charge/(Credit):						
Profit and loss	(3.42)	(665.52)	(11.08)	403.28	-	(276.73)
Other comprehensive income	-	-	(6.67)	-	-	(6.67)
31 March 2018	51.55	(488.74)	13.96	790.40	-	367.16
Charge/(Credit):						
Profit and loss	25.67	(109.97)	11.25	190.87	3.06	120.87
Other comprehensive income	-	-	(7.66)	-	-	(7.66)
31 March 2019	77.22	(598.71)	17.54	981.27	3.06	480.38

Reconciliation of deferred tax (net)

	31 March 2019	31 March 2018
Opening balance	367.16	650.57
Tax credit/ (expense) during the year recognized in statement of profit and loss	120.87	(276.73)
Tax expense during the year recognised in OCI	(7.66)	(6.67)
Closing balance	480.38	367.16

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

Note 11: Income tax asset (net)

	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation)	2,222.93	1,658.95
	2,222.93	1,658.95

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

Profit or loss section

	31 March 2019	31 March 2018
Current income tax:		
Current income tax charge	-	-
Tax adjustment for earlier years	-	(74.54)
Deferred tax (net)	(120.87)	276.73
Income tax expense reported in the statement of profit or loss	(120.87)	202.19

Income tax recognised in other comprehensive income

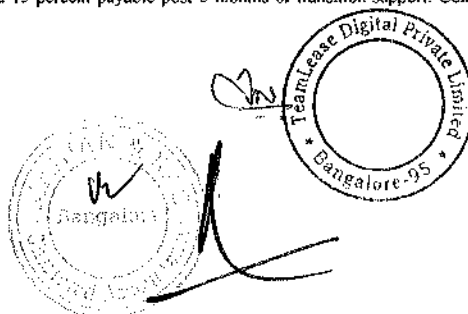
	31 March 2019	31 March 2018
Deferred tax arising on expense/(income) recognised in other comprehensive income		
Net loss/(gain) on remeasurements of defined benefit plans	(7.66)	(6.67)
Income tax expense charged to OCI	(7.66)	(6.67)

Note 12: Other non-current assets

(Unsecured considered good unless otherwise stated)

	31 March 2019	31 March 2018
Advance towards acquisition of business*	202.27	-
	202.27	-

* On February 11, 2019, the Company signed a definitive business transfer agreement to acquire the IT Staffing vertical of E Centric Solutions Private Limited ("eCentric"), a company incorporated under Companies Act, 1956 at an agreed price of Rs. 1559 lakhs. eCentric is engaged in the business of providing staffing and recruitment services to clients in the Information Technology sector. As per the Business Transfer Agreement entered into between the Company and eCentric, the consideration is payable in two tranches- 85 percent on transfer of clients contributing to at least 90 percent of gross margin and 15 percent payable post 6 months of transition support. Control is transferred with effect from 1st April 2019



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

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

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

Note 13: Trade receivables

(Unsecured considered good unless otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Trade receivables from related parties (Refer Note 37)	51.61	36.59
	<u>51.61</u>	<u>36.59</u>
Trade receivables- others	1,651.73	1,545.62
Doubtful	260.95	177.03
	<u>1,912.68</u>	<u>1,722.65</u>
Less:		
Allowance for doubtful debts	(260.95)	(177.03)
	<u>1,703.34</u>	<u>1,582.21</u>

Break-up of security details

	<u>31 March 2019</u>	<u>31 March 2018</u>
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	1,703.34	1,582.21
Trade receivables which have significant increase in credit risk	-	-
Trade Receivables- credit impaired	260.95	177.03
Total	<u>1,964.29</u>	<u>1,759.24</u>
Allowance for doubtful debts	(260.95)	(177.03)
Total trade receivable	<u>1,703.34</u>	<u>1,582.21</u>

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

b) Trade receivables are non-interest bearing.

c) The Company's exposure to credit risk, currency risk and loss allowance on trade receivables are disclosed in Note 35

Note 14: Cash and cash equivalents

	<u>31 March 2019</u>	<u>31 March 2018</u>
Balances with banks		
- On current accounts	12.58	131.42
Cash on hand	0.02	0.02
	<u>12.60</u>	<u>131.44</u>

Note 15: Bank balances other than cash and cash equivalents

Deposits with remaining maturity of less than 12 months*	143.45	135.03
Deposits with remaining maturity of more than 12 months**	13.23	13.23
	<u>156.68</u>	<u>148.25</u>
Less : Amounts disclosed under other financial assets (Refer note 8)	<u>(13.23)</u>	<u>(13.23)</u>
	<u>143.45</u>	<u>135.03</u>
	<u>156.05</u>	<u>266.46</u>

*Fixed deposits of Rs. 143.45 lakhs as at 31 March 2019 (March 31, 2018: Rs. 135.03 lakhs) is under lien with Canara Bank for the overdraft facilities of the Company.

**Fixed deposits of Rs. 13.23 lakhs as at 31 March 2019 (March 31, 2018: Rs. 13.23 lakhs) is under lien with Canara Bank for the Guarantee issued to third parties on behalf of the Company.

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

	<u>31 March 2019</u>	<u>31 March 2018</u>
Balances with banks		
- On current accounts	12.58	131.42
Cash on hand	0.02	0.02
	<u>12.60</u>	<u>131.44</u>
Less: Bank overdraft	<u>(945.29)</u>	<u>(605.85)</u>
	<u>(932.69)</u>	<u>(474.41)</u>

Note 16: Other current assets

(Unsecured considered good unless otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Prepaid expenses	39.83	40.22
Assets recognised from costs incurred to fulfil a contract*	153.02	-
Advances to employees	6.86	11.39
Advances recoverable in cash or in kind - Related Parties	25.33	-
Advances recoverable in cash or in kind - Others	25.58	24.90
Interest receivables on overdue from related parties	1.78	-
Doubtful	<u>252.40</u>	<u>76.51</u>
Advances recoverable in cash or in kind	4.22	-
Less: Provision for doubtful advances	<u>(4.22)</u>	<u>-</u>
	<u>252.40</u>	<u>76.51</u>

* In adopting INDAS 115, the company recognised an asset in relation to cost incurred in fulfilling fixed price IT consulting contract wherein the performance obligation is yet to be satisfied. The closing balance of the asset recognised from the cost incurred to fulfill the contract with the customer is INR 153.02 lakhs. The asset is amortised over the term of specific contract, consistent with the pattern of recognition of the associated revenue. Amortisation expenses of INR 134.77 lakhs has been recognised during the current year.



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 17: Equity share capital

Equity share capital	31 March 2019	31 March 2018
(i) Authorised equity share capital		
18,673,680 (31 March 2018: 18,673,680) equity shares of Rs. 10 each.	1,867.37	1,867.37
(ii) Issued, subscribed and fully paid-up shares		
4,735,000 (31 March 2018: 4,735,000) equity shares of Rs. 10 each.	473.50	473.50
Total issued, subscribed and fully paid-up shares	473.50	473.50

(iii) Terms/ rights attached to equity shares

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

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

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

Name of the shareholders	31 March 2019		31 March 2018	
	Numbers	% holding in the class	Numbers	% holding in the class
Equity shares of Rs.10 each fully paid				
TeamLease Services Limited (including its nominee), Holding Company	47,35,000	100%	47,35,000	100%

(v) On March 31, 2018, the Company allotted 1,325,000 equity shares @ Rs. 50 per share (Face Value of Rs. 10 each) to TeamLease Services Limited, the Holding Company.

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

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

Note 18: Other equity

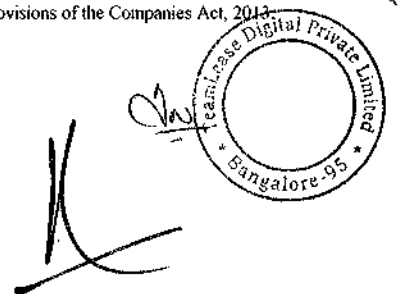
	31 March 2019	31 March 2018
Securities premium account	1,890.00	1,890.00
Retained earnings	(1,250.60)	(259.11)
	639.40	1,630.89
Securities premium		
Opening balance	1,890.00	1,360.00
Premium received during the year	-	530.00
Closing balance	1,890.00	1,890.00
Surplus in the statement of profit and loss		
Opening balance	(259.11)	814.72
Net Profit/(Loss) for the year	(1,010.14)	(1,090.06)
Other comprehensive income recognised directly in retained earnings	18.65	16.23
- Remeasurement of post employment benefit obligation, net of tax	-	-
Less : Appropriation during the year	-	-
Closing balance	(1,250.60)	(259.11)

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

Nature and purpose of other reserves

(i) Securities premium reserve

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



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 19: Borrowings

	<u>Effective interest rate</u>	<u>Maturity</u>	<u>31 March 2019</u>	<u>31 March 2018</u>
Non-Current Borrowings				
Unsecured - From Holding Company				
1) Compulsorily Convertible Debentures				
686 Series A Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	6,860.00	6,860.00
111 Series B Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	1,110.00	1,110.00
285 Series C Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	2,850.00	2,850.00
78 Series D Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	780.00	780.00
66 Series E Compulsorily Convertible Debentures of FV of Rs 10 lakhs each	9%	Refer Note below	660.00	-
2) Others			<u>12,260.00</u>	<u>11,600.00</u>
Application money received towards allotment of CCDs**			1,060.00	-
			<u>13,320.00</u>	<u>11,600.00</u>
Current Borrowings				
Secured				
Bank overdraft - Canara Bank	7% to 8%	On demand	93.68	605.85
Bank overdraft - HDFC Bank	8% to 9%	On demand	851.61	-
Unsecured				
Loan from related party - TSL	9.00%	On demand	2,160.25	2,377.33
			<u>3,105.55</u>	<u>2,983.18</u>

During the year ended 31 March, 2019, the Company allotted to TeamLease Services Limited(TSL), 66 Series "E" Compulsorily Convertible Debentures ("CCD") of Rs. 10 lakhs each bearing interest @9% payable annually. These debentures are convertible into equity shares on or before 10 years from the date of allotment. On maturity date, the CCDs will be converted into appropriate number of equity shares of the Company at the fair value of the equity share at the conversion date based on a fair valuation by a chartered accountant/merchant banker.

** The Company received the amount from TSL towards allotment of 106 Series "F" Compulsorily Convertible Debentures of Rs. 10 lakhs each which are pending for allotment as on the reporting date. The allotment is pending because of recent changes in Companies Act, 2013 relating to mandatory allotment and transfer of securities in dematerialised form which is applicable for the Company.

Overdraft facility from banks are secured primarily by way of exclusive charge on the current assets of the Company and corporate guarantee provided by TeamLease Services Limited, the Holding Company.

Note 20: Provisions

	<u>31 March 2019</u>	<u>31 March 2018</u>
Non-current		
Employee benefits - Gratuity (Refer note 33)	29.54	32.65
Employee benefits - Leave Encashment	13.02	6.49
	<u>42.56</u>	<u>39.13</u>
Current		
Employee benefits - Gratuity (Refer note 33)	4.94	3.81
Employee benefits - Leave Encashment	12.73	4.98
	<u>17.67</u>	<u>8.80</u>

Note 21: Trade payables

	<u>31 March 2019</u>	<u>31 March 2018</u>
Current		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 41)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	95.82	84.66
	<u>95.82</u>	<u>84.66</u>

Note 22: Other financial liabilities

	<u>31 March 2019</u>	<u>31 March 2018</u>
Current		
Employees Benefits Payable	701.99	589.57
Consideration payable for acquisition of business	472.41	1,134.84
Creditors for employees	0.10	-
	<u>1,174.50</u>	<u>1,724.41</u>

Note 23: Other current liabilities

	<u>31 March 2019</u>	<u>31 March 2018</u>
Statutory dues payable	298.36	328.21
Advance from Customers	-	0.27
Other Liabilities	1.62	-
	<u>299.98</u>	<u>328.48</u>



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 24: Revenue from operations

(Net of taxes)

Staffing Services
IT Consulting Services
Total revenue

31 March 2019	31 March 2018
11,569.19	9,866.76
172.90	-
11,742.09	9,866.76

Reconciliation of revenue recognised with contract price:

Contract Price
Adjustments for
Contract liabilities
Refund Liabilities
Incentives and performance bonus
Revenue from continuing operations

31 March 2019	31 March 2018
11,742.09	9,866.76
-	-
-	-
-	-
11,742.09	9,866.76

Following table shows unsatisfied performance obligation resulting from fixed -price long term IT consulting contracts:

Particulars

Aggregate amount of the transaction price allocated to IT consulting contracts that are partially or fully unsatisfied as at the reporting date

31 March 2019	31 March 2018
278.60	-

The company expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31st March, 2019 will be recognized as revenue during the next reporting period ending 31st March, 2020 (INR 278.6 Lakhs).

Note 25: Other income

Interest income on:

Loans to related parties
Deposits with banks
Income Tax Refunds
Overdue receivables
Unwinding of discount on Security deposits

31 March 2019	31 March 2018
76.48	9.53
10.54	10.16
68.63	-
1.78	-
1.06	-
158.48	19.68

Liabilities no longer required written back
Miscellaneous income

Total other income

-	25.46
3.76	0.37
162.24	45.52

Note 26: Employee benefits expense

Salaries, wages and bonus
Gratuity expense (Refer note 33)
Leave Encashment
Contribution to provident fund and other funds
Staff welfare expenses
Total employee benefit expense

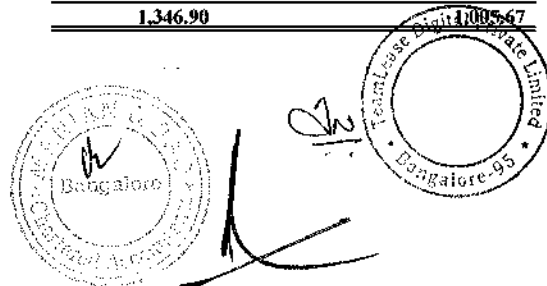
31 March 2019	31 March 2018
9,536.87	7,679.69
30.58	29.95
23.44	(25.82)
427.36	340.34
42.36	31.77
10,060.62	8,055.93

Note 27: Finance Cost

Interest on loans

Bank overdraft
Bill Discounting
TeamLease Services Limited, Holding Company
Interest on CCDs to TSL, Holding Company
Interest on statutory delays

41.50	36.60
-	6.12
240.98	134.50
1,061.09	822.01
3.34	6.43
1,346.90	1,005.67



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
Notes to the Standalone financial statements for the year ended 31 March 2019
(All amounts in Rs. lakhs, unless otherwise stated)

Note 28: Depreciation and amortisation

Depreciation of property, plant & equipment
Amortization of other intangible assets
Amortization of Goodwill

31 March 2019	31 March 2018
26.83	32.21
313.00	312.68
747.36	747.36
1,087.18	1,092.25

Note 29: Other expenses

Rent
Rates & taxes
Electricity
Traveling and conveyance
Repairs and maintenance
-Leasehold premises
-Others
Printing and stationery
Communication costs
Legal and professional charges
Auditors' remuneration (Refer note below)
Insurance - Others
Advertisement and business promotion
Brokerage
Bank charges
Sundry balances written off
Bad Debts written off
Less: Related Provision for Doubtful Debts Written Back
Provision for bad and doubtful debts
Provision for doubtful advances
Office expenses
Rebates & Discounts
Foreign exchange loss (Net)

31 March 2019	31 March 2018
108.20	191.96
12.12	10.97
9.08	9.03
14.75	70.44
-	-
25.88	20.90
1.86	3.38
21.07	25.43
216.78	161.11
13.83	14.00
4.22	1.79
8.01	6.75
2.58	0.19
2.48	4.97
1.03	15.49
0.34	71.50
-	-
83.92	10.77
4.22	-
5.16	22.47
3.10	3.47
1.99	1.67
540.64	646.29

Note: Payment to auditors

As auditor

Statutory audit fee
Tax audit fee
Certification

31 March 2019	31 March 2018
7.50	6.50
1.00	1.00
4.00	6.21

In other capacity:

Taxation matters
Reimbursement of expenses

1.00	-
0.33	0.29
13.83	14.00

Note 30: Tax Expense

Deferred tax :

Decrease/(Increase) in deferred tax

Tax expense/(income) for the year

31 March 2019	31 March 2018
(120.87)	276.73
(120.87)	276.73

OCI section

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

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

Income tax charged to OCI

31 March 2019	31 March 2018
(7.66)	(6.67)
(7.66)	(6.67)

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

Profit/(Loss) before tax
Tax using the Company's domestic tax rate @29.12% (March 31, 2018: 29.12%)

Tax effect of:

Tax adjustments of earlier years
Disallowances
Deferred tax on account of unabsorbed business losses reversed
Tax adjustments on account of merger and rate differences

Income tax expense/(income)

31 March 2019	31 March 2018
(1,131.01)	(887.87)
(329.35)	(258.55)
-	(74.54)
145.54	0.70
62.95	-
-	534.58
(120.87)	202.19



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

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

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

Note 31: Earnings per share

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

	31 March 2019	31 March 2018
Basic Earnings per share (BEPS)		
Profit/(Loss) attributable to equity shareholders (Rs.)	(1,010.14)	(1,090.06)
Nominal value of each equity share	10.00	10.00
Weighted average number of equity shares outstanding during the year (Refer Note below)	47,35,000.00	34,13,630.14
Basic earnings per share (in Rs.)	(21.33)	(31.93)
Diluted Earnings per share (DEPS)		
Profit/(Loss) attributable to equity shareholders (Rs.)	(1,010.14)	(1,090.06)
Add: Interest on CCDs (potential equity shares) (net of tax impacts)	752.10	582.64
Profit attributable to equity shareholders on dilution of potential equity shares	(258.04)	(507.42)
Nominal value of each equity share	10.00	10.00
Weighted average number of equity shares outstanding during the year (Refer Note below)	70,92,972.60	52,40,742.47
Diluted earnings per share (in Rs.) (subject to Anti-dilution test)	(3.64)	(9.68)
Dilutive / Anti-dilutive	Anti-Dilutive	Anti-Dilutive
Diluted earnings per share (in Rs.)	(21.33)	(31.93)

The effect of potential equity shares to be issued by the Company on conversion of CCDs has anti-dilutive effect as there is loss during the reporting periods. Thus, the diluted EPS is same as basic EPS.

Computation of weighted average number of shares

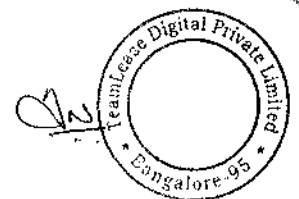
Particulars	(Value in numbers)	
	31 March 2019	31 March 2018
Number of equity shares outstanding at beginning of the year/period	47,35,000.00	34,10,000.00
Add: Weighted average number of equity shares issued during the year	-	3,630.14
Weighted average number of shares outstanding at the end of the year for computing basic earnings per share	47,35,000.00	34,13,630.14
Add: Weighted average number of shares to be issued on conversion of CCDs	23,57,972.60	18,27,112.33
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	70,92,972.60	52,40,742.47

Note 32: Earnings/Expenditure In Foreign Currency**(a) Earning in Foreign Currencies**

	31 March 2019	31 March 2018
Staffing Income	-	61.81
	-	61.81

(b) Expenditure in Foreign Currencies

	31 March 2019	31 March 2018
Per Diem Allowances	-	20.55
Legal and professional charges	0.90	-
	0.90	20.55



Note 33: Employee benefit obligation

i) Leave Obligation

The leave obligation cover the Company's liability for earned leave which are classified as current and non-current benefits. The bifurcation of the current and non-current is based on the past experience of employee's retirement, resignations or on his death on the basis of the salary he would be drawing at the time of his separation from the Company.

Particulars	31 March 2019	31 March 2018
Leave Obligations not expected to be settled within the next 12 months	13.02	6.49

ii) Defined Contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the salary as per the regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expenses recognised during the year towards defined contribution plan is Rs. 386.69 lakhs (31 March, 2018: Rs. 302.31 lakhs).

(iii) Gratuity

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

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

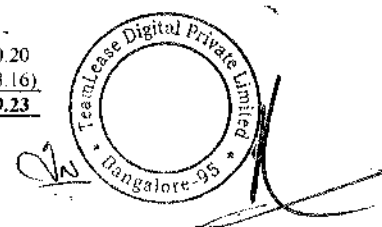
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds. If the plan assets underperform this yield, this will create a deficit. The Company maintains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

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

Net defined benefit liability/ (assets)	31 March 2019	31 March 2018
Present value of defined benefit obligation	37.55	39.23
Fair value of plan assets	3.07	2.77
Net liability	34.48	36.46
Net benefit cost recognised in statement of profit and loss	31 March 2019	31 March 2018
Current service cost	28.32	27.51
Past service cost	-	0.00
Interest cost on net defined benefit obligation	2.26	2.44
Net benefit expense	30.58	29.95
Remeasurement loss/(gains) in other comprehensive income	31 March 2019	31 March 2018
Particulars		
Due to change in demographic assumptions	4.63	-
Due to change in financial assumptions	(2.11)	0.20
Due to change in experience adjustments	(28.73)	(23.16)
(Return) on plan assets (excluding interest income)	(0.10)	0.07
Actuarial loss/(gain) recognised in OCI	(26.31)	(22.89)

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

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at beginning of the year	39.23	49.06
Current service cost	28.32	27.51
Past service cost	-	0.00
Interest cost on defined benefit obligation	2.46	2.62
Benefits paid	(6.25)	(16.99)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	4.63	-
Actuarial (gain) / loss arising from changes in financial assumptions	(2.11)	0.20
Actuarial (gain) / loss arising from changes in experience adjustments	(28.73)	(23.16)
Defined benefit obligation at end of the year	37.55	39.23



Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)
 Notes to the Standalone financial statements for the year ended 31 March 2019
 (All amounts in Rs. lakhs, unless otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Current	8.01	6.58
Non-current	29.54	32.65

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

	<u>31 March 2019</u>	<u>31 March 2018</u>
Discount rate	6.66%	6.81%
Salary escalation rate	8.0%	8.0%
Attrition rate	50%	44%
Retirement age	58 - 60	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

Note:

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

Sensitivity analysis

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

	<u>Discount rate</u> <u>31 March 2019</u>	<u>Salary escalation rate</u> <u>31 March 2019</u>	<u>Attrition rate</u> <u>31 March 2019</u>
1% increase	36.54	38.42	36.47
1% decrease	38.62	36.71	38.69

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

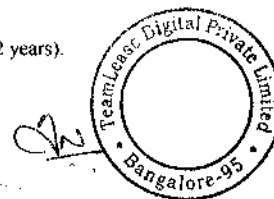
The sensitivity analyses above have been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions used at the end of the reporting period.

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

	<u>31 March 2019</u>	<u>31 March 2018</u>
Year 1	8.01	6.58
Year 2	7.06	4.88
Year 3	6.66	6.63
Year 4	7.15	8.58
Year 5	7.16	8.61
Next 5 years	7.98	12.03

The Company expects to contribute Rs 36.13 lakhs in 2019-20 (Rs. 33.90 lakhs in 2018-19).

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (2017-18: 2 years).



Handwritten signature.

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

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

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

Note 34: Fair value measurements**Financial instruments by category and hierarchy**

Particulars	31 March 2019		
	Amortised cost	FVOCI	FVTPL
Financial Assets			
Loans - security deposits	48.16	-	-
Loans to related party	685.10	-	-
Loans - Others	0.22	-	-
Trade receivables	1,703.34	-	-
Cash and cash equivalents	12.60	-	-
Bank balances other than cash and cash equivalents	143.45	-	-
Other financial assets	21.03	-	-
Total financial assets	2,613.90	-	-

Financial liabilities			
Loan from related party	2,160.25	-	-
Bank Overdraft	945.29	-	-
CCD	13,320.00	-	-
Trade payables	95.82	-	-
Other financial liabilities	1,174.50	-	-
Total financial liabilities	17,695.86	-	-

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

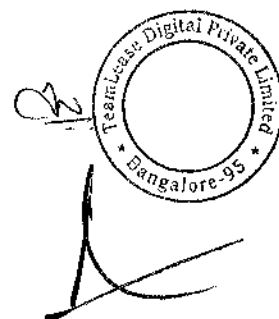
Financial liabilities			
Loan from related party	2,377.33	-	-
Bank Overdraft	605.85	-	-
CCD	11,600.00	-	-
Trade payables	84.66	-	-
Other financial liabilities	1,724.41	-	-
Total financial liabilities	16,392.25	-	-

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

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

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

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



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

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

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

Fair value hierarchy

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

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

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

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

Note 35: Financial risk management objectives and policies

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

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

(i) Foreign Currency Risk

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

(ii) Interest rate risk

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

(b) Credit risk

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

Trade receivables

With respect to trade receivables and contract assets, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

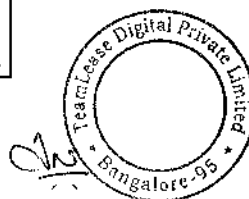
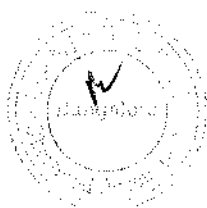
Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Assets under credit risk

	31-Mar-19	31-Mar-18
Trade receivable	1,703.34	1,582.21
Contract Assets	1,451.53	-
Loans to employees	6.86	11.39
Loans to subsidiaries	685.10	910.10
Security deposit	48.16	37.64
Other financial assets	21.03	951.59
Total	3,916.02	3,492.93

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

Particulars	31-Mar-19	31-Mar-18
Opening balance	177.03	166.26
Amount provided/ (reversed) during the year	83.92	10.77
Closing provision	260.95	177.03



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

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

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

Financial instrument and cash deposit

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

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

(c) Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities (other than CCDs) based on contractual undiscounted payments.

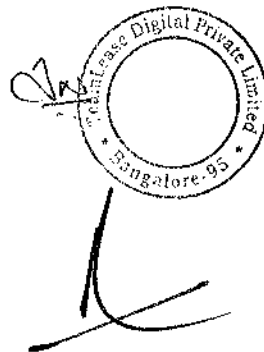
	0-1 year	1-2 years	2 years and above	Total
As at 31 March 2019				
Borrowings	3,105.55	-	-	3,105.55
Trade payables	95.82	-	-	95.82
Other financial liabilities	1,174.50	-	-	1,174.50
	4,375.86	-	-	4,375.86
As at 31 March 2018				
Borrowings	2,983.18	-	-	2,983.18
Trade payables	84.66	-	-	84.66
Other financial liabilities	1,724.41	-	-	1,724.41
	4,792.25	-	-	4,792.25

Note 36: Capital management

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

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

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



Note 37: Related party disclosure

(i) List of related parties and relationship:

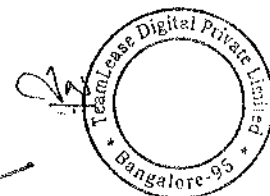
Description of relationship	Names of the related parties
a) Holding company	TeamLease Services Limited('TSL') - holding company w.e.f July 04, 2016 i.e. since incorporation
b) Subsidiary companies	Keystone Business Solutions Private Limited ('KBSPL') (w.e.f. February 01, 2017) Evolve Technologies and Services Private Limited ('ETSPL') (w.e.f. November 01, 2017)
c) Key management personnel and their relatives	Mr. Ashok Kumar Nedurumalli - Non-Executive Director Mr. Ravi Vishwanath - Non-Executive Director Mrs. Shilpa Kamlesh Avarsekar - Non-Executive Director (resigned w.e.f January 21, 2019) Mrs. Rituparna Chakraborty - Non Executive Director (appointed w.e.f. January 21, 2019)

(ii) Transactions with related parties

Transactions with related parties	31 March 2019	31 March 2018
Rights Issue of equity shares		
TSL	-	662.50
Rights Issue of CCD		
TSL	660.00	3,630.00
Application money received towards allotment of CCDs		
TSL	1,060.00	-
Reimbursement of Expenses:		
TSL	2.40	1.08
KBSPL	0.78	-
Total	3.18	1.08
Interest expense on CCD		
TSL	1,061.09	822.01
Loan Received		
TSL	6,695.93	6,515.10
Loan Repaid		
TSL	6,913.00	5,215.10
Interest expense on Loan received		
TSL	240.98	134.50
Loans and advances given to		
Subsidiary companies		
ETSPL	1,570.00	950.10
KBSPL	45.00	457.00
Total	1,615.00	1,407.10
Loan Repaid / Adjusted on account of merger during the year		
Subsidiary companies		
ETSPL	1,795.00	40.00
KBSPL	45.00	457.00
Total	1,840.00	497.00
Interest income on loan		
Subsidiary companies		
ETSPL	76.40	8.76
KBSPL	0.08	0.77
Total	76.48	9.53
Interest income on overdue receivables		
Holding Company		
TSL	1.78	-
Consultancy/services charges paid		
Consultancy charges		
Service charges		
Holding Company		
TSL	27.99	58.10
Services provided		
Holding Company		
TSL	285.25	77.87



[Handwritten signature]



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

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

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

Expenses incurred by the Company on behalf of others - Cross charged

Subsidiary companies		
KBSPL	25.33	-
Rent Paid		
Holding Company		
TSL	48.23	133.27
Guarantee provided on our behalf to bank		
Holding Company		
TSL	1,200.00	-

(iii) Outstanding balances as at year ended

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

	31 March 2019	31 March 2018
Loans and advances receivable		
Subsidiary companies		
ETSPL	685.10	910.10
Total	685.10	910.10
Trade/other Receivables		
Holding Company		
TSL	53.39	36.59
Investments in equity shares		
Subsidiary companies		
KBSPL	820.00	820.00
ETSPL	4,590.15	4,590.15
Total	5,410.15	5,410.15
Borrowings - Loan		
Holding Company		
TSL	2,160.25	2,377.33
Borrowings - CCDs		
Holding Company		
TSL	12,260.00	11,600.00
Borrowings - CCDs pending allotment		
Holding Company		
TSL	1,060.00	-
Interest on CCDs Payable:		
TSL	-	-
Sundry Creditors for Expenses		
Holding Company		
TSL	15.11	12.21
Guarantee provided on behalf of the Company to Bank		
Holding Company		
TSL	1,200.00	-

Note 38: Contingent liabilities

Particulars	31 March 2019	31 March 2018
-Bills Discounting*	-	524.62
Income Tax Matters under Dispute		
-Income Tax Notice AY 2016-17	24.83	-
-Income Tax Notice AY 2014-15	34.74	34.74
-Income Tax Notice AY 2007-08	33.51	33.51
Claims not acknowledged as debts (under dispute)**	988.37	-

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

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

Note 39: Commitments

(a) Capital commitments

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

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

The image shows two circular corporate seals of Teamlease Digital Private Limited, Bangalore-95. The seal on the left has a handwritten signature over it. The seal on the right is a clean stamp. There are also some handwritten scribbles between the two seals.

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

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

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

(b) Other Commitments

Guarantees against fixed deposits	31 March 2019	31 March 2018
The President of India	4.70	4.70
The Executive Engr BWSSB	4.70	4.70
State Health Society	3.83	3.83
Total	13.23	13.23

Note 40: Non-cancellable operating leases

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

	31 March 2019	31 March 2018
Lease rentals under cancellable and non-cancellable leases	108.20	191.96

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

	31 March 2019	31 March 2018
Within one year	43.70	-
Later than one year but not later than five years	51.65	-
Later than five years	-	-

Note 41: The Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no suppliers who are registered as micro or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2019 and March 31, 2018.

Note 42: Scheme of Amalgamation**Background**

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

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

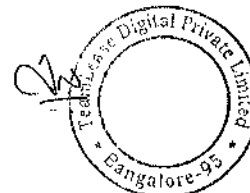
Though the NCLT approval of the order was passed in the financial year ended 31 March 2018, the effect of the scheme in accounts has been given retrospectively from the appointed date of the Scheme.

The method of accounting used to reflect the amalgamation

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

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

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



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

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

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

Note 43: First time adoption

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

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

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

	31st March 2019 without adoption of IND AS 115	Increase/(Decrease)	31st March 2019 as reported
Balance Sheet (Extract)/ Profit and loss (Extract) year ended 31st March 2019			
Current Assets			
Contract assets	-	1,451.53	1,451.53
Other Financial Assets			
Unbilled revenue	1,451.53	(1,451.53)	-
Other Non-current Assets			
Assets recognised from costs incurred to fulfill a contract	-	153.02	153.02
Other Expense			
Employee Benefit expenses	10,213.64	(153.02)	10,060.62

Note 44: Events occurring after the Balance Sheet date

On February 11, 2019, the Company signed a definitive business transfer agreement to acquire the IT Staffing vertical of E Centric Solutions Private Limited ("eCentric"), a company incorporated under Companies Act, 1956 at an agreed price of Rs. 1559 lakhs. eCentric is engaged in the business of providing staffing and recruitment services to clients in the Information Technology sector. As per the Business Transfer Agreement entered into between the Company and eCentric, the consideration is payable in two tranches- 85 percent on transfer of clients contributing to at least 90 percent of gross margin and 15 percent payable post 6 months of transition support. Control is transferred with effect from 1st April 2019

Note 45: Previous Year Figures

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

For MANIAN & RAO

ICAI Firm Registration Number : 001983S

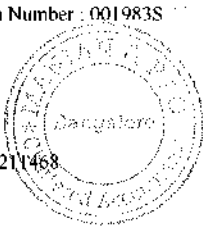
Chartered Accountants



Paresi Daga

Partner

Membership Number: 211488




For and on behalf of the board of directors



Ashok Kumar Nedurumalli

Director

DIN: 00151814



N. Ravi Vishwanath

Director

DIN: 07332234

Place: Bangalore

Date: May 22, 2019

Place: Bangalore

Date: May 22, 2019