

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ASAP INFO SYSTEMS PRIVATE LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ASAP INFO SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

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

#### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profits and its cash flows for the year ended on that date.

### **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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 does not have any pending litigations as on 31<sup>st</sup> March 2017;



- 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.
- iv) The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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 : 17<sup>th</sup> May 2017

## **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 ASAP INFO SYSTEMS PRIVATE LIMITED ("the Company") as of March 31, 2017 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, 2017, 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 : 17<sup>th</sup> May 2017

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 (three) years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (ii) As explained to us, the company does not hold any inventories, accordingly reporting under paragraph (ii) of the order does not apply.
- (iii) The company had granted interest free loans to the parties covered in the register maintained U/s 189 of the Companies Act, 2013. As at 31/03/2017 all these loans have been repaid and there is no outstanding.
- (iv) The Company has granted loans where in provision of section 185 & 186 have not been complied, details of the same is as under:

Provisions not complied	Nature of Non Compliance	Maximum Amount outstanding during the year (INR)	Amount outstanding as on 31.03.2017 (INR)
Section 185 & 186	i. Loan to Directors given in contravention of provisions of Section 185 ii. Interest not charged in accordance with section 186 (7)	1,51,49,709/-	Nil
Section 185 & 186	i. Loan to persons in whom directors are interested in contravention of provision of section 185. ii. Interest not charged in accordance with section 186 (7)	10,92,44,851/-	Nil

- (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.



(vi) Having regard to the nature of the Company's business / activities, reporting under paragraph 3 (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. However delays were observed in payments of statutory dues during the period April 2016 to August 2016.

(b) As on March 31, 2017 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)
Tax Deduction at source including interest thereon	51,15,986
Provident Fund	18,91,712
Professional Tax	1,25,760
Service Tax including interest thereon	19,67,523
Employee's State Insurance	1,66,259

(c) Details of dues of Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess which have not been deposited as on March 31, 2017 on account of disputes are given below:

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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) of the Order is not applicable.





- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manian & Rao,  
Chartered Accountants  
FRN : 001983S



Paresh Daga  
Partner  
M.No. 211468  
Place : Bangalore



Date : 17<sup>th</sup> May 2017

**ASAP INFO SYSTEMS PRIVATE LIMITED**

**Balance Sheet as at March 31, 2017**

		As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
	<b>Notes</b>		
<b>Shareholders' Funds</b>			
Share Capital	3	8,50,200	8,50,200
Reserves and Surplus	4	679,65,297	470,79,700
<b>Non-Current Liabilities</b>			
Long-Term Provisions	5	28,38,287	54,03,028
<b>Current Liabilities</b>			
Short-Term Borrowings	6	14,94,341	743,01,254
Other Current Liabilities	7	635,48,869	899,33,475
Short-Term Provisions	8	41,55,890	8,07,488
<b>Total</b>		<b>1408,52,884</b>	<b>2183,75,145</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		105,34,376	133,52,411
Intangible Assets		13,66,013	-
Non-Current Investments	10	-	160,00,000
Deferred Tax Asset	11	45,21,756	19,06,321
Long-Term Loans and Advances	12	50,76,492	21,45,852
<b>Current Assets</b>			
Trade Receivables	13	492,21,791	832,37,970
Cash and Bank Balances	14	52,26,322	69,93,309
Short-Term Loans and Advances	15	51,96,775	921,64,662
Other Current Assets	16	597,09,359	25,74,620
<b>Total</b>		<b>1408,52,884</b>	<b>2183,75,145</b>
Significant Accounting Policies	2		

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

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

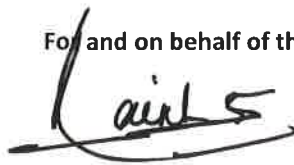
**For Manian & Rao - Chartered Accountants**

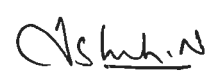
Firm Registration Number: 001983S

  
  
**Paresh Daga**  
 Partner  
 Membership No: 211468

Place : Bengaluru  
 Date : May 17, 2017

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

  
**N. Ravi Vishwanath**  
 Director  
 DIN: 07332234

  
**Ashok Kumar Nedurumalli**  
 Director  
 DIN: 00151814

Place : Bengaluru  
 Date : May 17, 2017



ASAP INFO SYSTEMS PRIVATE LIMITED

Statements of Profit and Loss for the year ended March 31, 2017

		For the year ended March 31, 2017 Rupees	For the year ended March 31, 2016 Rupees
<b>Revenue</b>	<b>Notes</b>		
Revenue from Operations (Gross)		6950,78,158	6908,32,158
<b>Less: Service Tax</b>		570,73,750	539,91,122
Revenue from Operations (Net)	17	6380,04,408	6368,41,036
Other Income	18	44,09,709	3,72,186
<b>Total Revenue</b>		<b>6424,14,117</b>	<b>6372,13,222</b>
<b>Expenses</b>			
Employee Benefits Expense	19	5337,67,995	4934,03,465
Finance Costs	20	168,69,885	125,42,311
Depreciation Expense	21	37,14,587	20,48,481
Other Expenses	22	491,84,509	350,27,442
<b>Total Expenses</b>		<b>6035,36,976</b>	<b>5430,21,699</b>
<b>Profit before exceptional items and tax</b>		388,77,141	941,91,523
<b>Less: Exceptional Item</b>			
Provision for diminution in the value of investments		-	600,00,000
<b>Profit before Tax</b>		<b>388,77,141</b>	<b>341,91,523</b>
<b>Tax Expense</b>			
Current Tax		206,06,978	355,06,770
Deferred Tax (net)		(26,15,434)	(20,16,374)
<b>Profit/(Loss) for the year</b>		<b>208,85,597</b>	<b>7,01,127</b>
Earnings Per Equity Share (Nominal Value per Equity share - Rs 10)	25		
Basic and Diluted		245.66	8.25

Significant Accounting Policies 2  
The accompanying notes are an integral part of these Financial Statements.

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

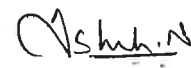
**For Manian & Rao - Chartered Accountants**  
Firm Registration Number: 0019835

  
**Paresh Daga**  
Partner  
Membership No: 211468  


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



**N. Ravi Vishwanath**  
Director  
DIN: 07332234



**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814

Place : Bengaluru  
Date : May 17, 2017

Place : Bengaluru  
Date : May 17, 2017



ASAP INFO SYSTEMS PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2017

	For the Year Ended March 31, 2017 Rupees	For the Year Ended March 31, 2016 Rupees
<b>A Cash flow from Operating Activities:</b>		
Profit before Tax	388,77,141	341,91,523
Adjustments for :		
Depreciation and amortisation expense	37,14,587	20,48,481
Interest paid on bank loans and others	168,69,885	125,42,311
Profit on sale on fixed assets (Net)	-	(3,47,368)
Provision for diminution in the value of long term investments	-	600,00,000
Loss on sale of long term Investments (Net)	40,000	-
Unrealised foreign exchange loss (Net)	1,66,015	-
Provision for doubtful debts no longer required written back	(8,42,517)	-
Sundry balances written back	(35,67,192)	66,759
Provision for Bad and Doubtful Debts	87,37,362	-
Provision for gratuity	-	-
Provision for leave encashment	2,53,825	55,72,642
TDS Receivables written off	48,62,922	-
Prior period items	-	-
<b>Operating income before working capital changes</b>	<b>691,12,028</b>	<b>1140,74,348</b>
Changes in working capital:		
Increase in other current liabilities	(228,17,414)	149,19,496
Increase in short term and long term provisions	(93,22,880)	-
(Increase) in other current assets	(571,34,739)	(25,74,620)
(Increase) in trade receivable	259,55,319	(435,37,885)
(Increase)/ decrease in long term loans and advances	(29,30,640)	14,39,241
(Increase) in short term loans and advances	90,96,416	(137,20,218)
<b>Cash generated from operations</b>	<b>119,58,090</b>	<b>706,00,363</b>
Taxes (paid) / refunded (net)	(156,17,184)	(301,57,855)
<b>Net cash (used in)/generated from Operating Activities (A)</b>	<b>(36,59,094)</b>	<b>404,42,508</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of tangible assets	(22,62,565)	(109,97,109)
Proceeds from sale of tangible fixed assets	-	15,78,699
Sale of Non- Current Investments	159,60,000	-
Repayment of loans and advances from related parties	677,72,081	-
Loans and advances given to related parties	100,99,390	(778,71,471)
<b>Net cash (used in) investing activities (B)</b>	<b>915,68,906</b>	<b>(872,89,881)</b>
<b>C Cash flow from Financing Activities :</b>		
Proceeds from short term borrowings(Net)	(728,06,914)	654,33,318
Interest paid on bank loans and others	(168,69,885)	(125,42,311)
<b>Net cash generated from Financing Activities (C)</b>	<b>(896,76,799)</b>	<b>528,91,007</b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>(17,66,987)</b>	<b>60,43,634</b>
Cash and Cash equivalents at the beginning of the year	69,93,309	9,49,675
<b>Cash and Cash equivalents at the end of the year</b>	<b>52,26,322</b>	<b>69,93,309</b>
<b>Cash and Cash equivalents comprises of</b>		
Cash on hand	1,541	3,031
Balances with Banks*		
In Current Accounts	52,24,781	69,90,278
<b>Cash and Cash Equivalents at the end of the year</b>	<b>52,26,322</b>	<b>69,93,309</b>

\* Refer Note 14.

Notes

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- 2 Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year classification.
- 3 Figures in the bracket indicate cash outgo / income.

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


For Manian & Rao - Chartered Accountants

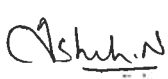
Firm Registration Number: 9019835

  
Paresh Daga  
Partner  
Membership No: 211468

Place : Bengaluru  
Date : May 17, 2017

For and on behalf of the Board of Directors

  
N. Ravi Vishwanath  
Director  
DIN: 07332234

  
Ashok Kumar Nedurumalli  
Director  
DIN: 00151814

Place : Bengaluru  
Date : May 17, 2017



## ASAP INFO SYSTEMS PRIVATE LIMITED

### Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

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#### 1. General Information

ASAP Info Sysytems Private Limited (the "Company") is a HR Services Company incorporated on December 29, 1998. The Company currently provides clients, solution for their staffing requirements.

The shares of the Company was fully purchased by TeamLease Staffing Services Private Limited w.e.f September 01, 2016

#### 2. Summary of significant accounting policies

##### i. Basis of preparation:

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

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

##### ii. Use of Estimates:

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

##### iii. Tangible Assets:

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

The useful life of asset used for below class of assets is taken less than the prescribed life as per Schedule II based on management estimates:

- a. Electrical Equipment - 8 years
- b. Compressor - 8 years
- c. Motor Bike - 8 years

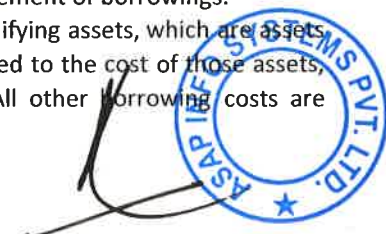
Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized in the Statement of Profit and Loss, losses arising from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

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act, 2013 except as above. The residual value of all assets is assumed as five percent of the original cost of the asset.

##### iv. Borrowing Costs:

Borrowing costs include interest and ancillary costs incurred in connection with the arrangement of borrowings.

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



**ASAP INFO SYSTEMS PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

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**v. Impairment of Assets:**

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

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

**vi. Investments:**

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

**vii. Revenue Recognition:**

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

**Other Income:**

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

Net Revenue excludes Service Tax and other statutory levies.

**viii. Employee Benefits:**

**a) Provident Fund**

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

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

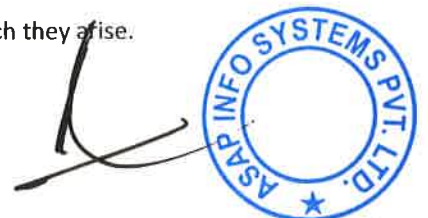
**b) Gratuity**

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

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



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**ASAP INFO SYSTEMS PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

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**ix. Current and Deferred Tax:**

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

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

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

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

**x. Provisions and Contingent Liabilities:**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

**xi. Leases:**

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

**xii. Segment Reporting**

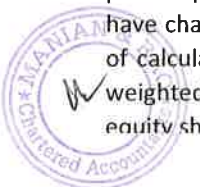
The Company operates only in one segment, hence segmental reporting is not applicable.

**xiii. Cash and Cash Equivalents**

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

**xiv. Earnings Per Share:**

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



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**ASAP INFO SYSTEMS PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

**3 SHARE CAPITAL**

	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
<b>Authorised</b>		
2,00,000 Equity shares of Rs. 10 each	20,00,000	20,00,000
	<b>20,00,000</b>	<b>20,00,000</b>
<b>Issued, Subscribed and Paid-Up</b>		
85,020 Equity Shares of Rs. 10 each fully paid up	8,50,200	8,50,200
	<b>8,50,200</b>	<b>8,50,200</b>

**3.1 Reconciliation of the number of shares**

	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Rupees	Number of Shares	Rupees
<u>Equity Shares</u>				
Balance as at the beginning of the year	85,020	8,50,200	85,020	8,50,200
Balance as at the end of the year	<b>85,020</b>	<b>8,50,200</b>	<b>85,020</b>	<b>8,50,200</b>

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

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

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

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

	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	% holding	Number of Shares	% holding
Lakshmi Suthaa K	-	-	51,012	60
K.J. Suwresh	-	-	34,008	40
TeamLease Staffing Services Private Limited* (including its nominee)	85,020	100	-	-

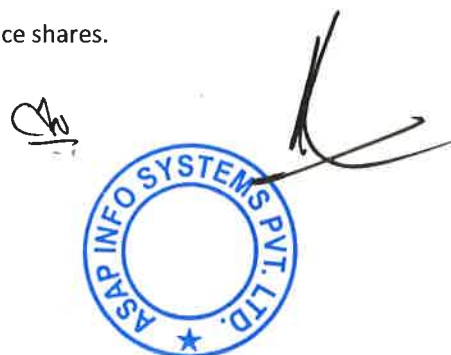
\*On August 31, 2016, TeamLease Staffing Services Private Limited (TSSPL) became the holding company holding 100% of the share capital of the Company. One equity share is held by Mr. N Ravi Vishwanath as a nominee of TSSPL.

**3.4** There are no shares reserved for issue under options as on March 31, 2017 and for the previous year.

**3.5** There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended March 31, 2017.

**3.6** There are no shares bought back by the Company during the period of five years immediately preceding the year ended March 31, 2017.

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

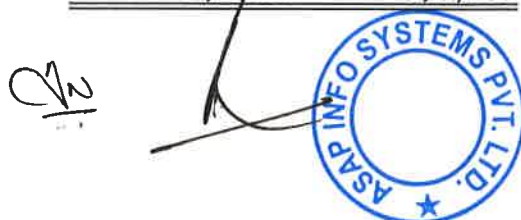




ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

4 RESERVES AND SURPLUS	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
<b>Surplus/ (Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	470,79,700	463,78,573
Add : Profit/(Loss) for the year	208,85,597	7,01,127
Balance as at the end of the year	<b>679,65,297</b>	<b>470,79,700</b>
<b>5 LONG-TERM PROVISIONS</b>		
	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
<u>Provision for Employee Benefits</u>		
Provision for Gratuity (Refer Note 29 a)	13,72,002	47,34,605
Leave Encashment Payable	14,66,285	6,68,423
<b>Total</b>	<b>28,38,287</b>	<b>54,03,028</b>
<b>6 SHORT-TERM BORROWINGS</b>		
	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Secured Loans-Fullerton India Credit Co. Ltd	-	362,90,466
Unsecured Loan - Banks	-	132,71,362
Unsecured Loans -Others	14,94,341	247,39,426
<b>Total</b>	<b>14,94,341</b>	<b>743,01,254</b>
<b>7 OTHER CURRENT LIABILITIES</b>		
	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Sundry Creditors	64,43,047	14,65,680
Employees Benefits Payable	376,05,103	320,24,019
Statutory dues	188,02,788	562,93,776
Advance from Customers	14,983	-
Other Liabilities	6,82,948	1,50,000
<b>Total</b>	<b>635,48,869</b>	<b>899,33,475</b>
<b>8 SHORT-TERM PROVISIONS</b>		
	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Provision for Taxation	22,60,297	6,37,874
Provision for Gratuity (Refer Note 29 a)	4,48,365	1,69,614
Leave Encashment Payable	9,05,978	-
Audit Fees Payable	5,41,250	-
<b>Total</b>	<b>41,55,890</b>	<b>8,07,488</b>



ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

9. Fixed Assets

Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions	Deletions/ Adjustments	Cost as at 31.03.2017	As at 01.04.2016	For the year	On Deletions/ Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
<u>Tangible Assets</u>										
Air Conditioner	9,78,468	1,23,087	-	11,01,555	92,404	2,10,344	-	3,02,748	7,98,807	8,86,064
Car	13,14,000	-	-	13,14,000	48,308	1,55,609	-	2,03,917	11,10,083	12,65,692
CC Camera	3,06,886	6,210	-	3,13,096	33,401	62,215	-	95,616	2,17,480	2,73,485
Compressor	5,04,000	-	-	5,04,000	2,83,230	65,590	-	3,48,820	1,55,180	2,20,770
Computers	57,24,775	1,46,460	-	58,71,235	25,63,005	17,40,175	-	43,03,180	15,68,055	31,61,770
Electrical Equipments	5,39,746	-	-	5,39,746	3,62,801	43,640	-	4,06,441	1,33,305	1,76,945
Furnitures	66,05,280	1,11,376	-	67,16,656	7,36,761	6,28,776	-	13,65,537	53,51,119	58,68,519
Mobile Phones	5,39,266	-	-	5,39,266	3,41,008	75,313	-	4,16,321	1,22,945	1,98,258
Motor Bike	66,420	-	-	66,420	4,537	7,866	-	12,403	54,017	61,883
Office Equipments	17,17,277	1,22,829	-	18,40,106	4,78,868	3,38,470	-	8,17,337	10,22,769	12,38,409
Water Filters	12,330	-	-	12,330	11,714	-	-	11,714	616	616
<b>Total</b>	<b>183,08,448</b>	<b>5,09,962</b>	<b>-</b>	<b>188,18,410</b>	<b>49,56,036</b>	<b>33,27,997</b>	<b>-</b>	<b>82,84,034</b>	<b>105,34,376</b>	<b>133,52,411</b>

Intangible Assets	-	17,52,603	-	17,52,603	-	3,86,590	-	3,86,590	13,66,013	-
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<b>Grand Total</b>	<b>183,08,448</b>	<b>22,62,565</b>	<b>-</b>	<b>205,71,013</b>	<b>49,56,036</b>	<b>37,14,587</b>	<b>-</b>	<b>86,70,623</b>	<b>119,00,389</b>	<b>133,52,411</b>
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<b>Previous Year Figures</b>	<b>115,22,330</b>	<b>109,97,109</b>	<b>42,10,992</b>	<b>183,08,448</b>	<b>58,87,216</b>	<b>20,48,481</b>	<b>29,79,661</b>	<b>49,56,036</b>	<b>133,52,411</b>	<b>56,35,114</b>
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ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

10 NON-CURRENT INVESTMENTS

	Face Value	As at March 31, 2017		As at March 31, 2016	
		Number	Rupees	Number	Rupees
<b>Other than Trade Investments (At Cost)</b>	Rupees				
<b>Unquoted Equity Instruments</b>					
Investment in Subsidiaries (Fully paid-up)					
Lakshmi Car Zone Private Limited	10	-	-	76,00,000	760,00,000
Less: Provision for diminution in the value of investments			-		(600,00,000)
<b>Total</b>		-	-	<b>76,00,000</b>	<b>160,00,000</b>
Aggregate Value of Unquoted Investments -At Book Value			-		760,00,000
Aggregate provision for diminution in the value of Investments			-		600,00,000

11 DEFERRED TAX ASSET (NET)

	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Deferred Tax Asset:		
Provision for bad and doubtful debts	33,77,655	7,67,382
Difference between Book and Tax Depreciation	(2,42,109)	(7,03,544)
Provision for employee benefits		
--Gratuity	6,01,868	16,21,482
--Leave Encashment	7,84,342	2,21,001
<b>Total</b>	<b>45,21,756</b>	<b>19,06,321</b>

12 LONG-TERM LOANS AND ADVANCES

	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Security Deposits		
Rental Deposits	50,54,640	21,24,000
Other Deposits	21,852	21,852
<b>Total</b>	<b>50,76,492</b>	<b>21,45,852</b>



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ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

13 TRADE RECEIVABLES	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured considered good	-	-
Unsecured, considered doubtful	37,18,304	-
Less: Provision for Doubtful Debts	(37,18,304)	-
Outstanding for a period less than 6 months from the date they are due for payment		
Unsecured considered good	778,60,020	1138,26,017
Less: Bills Discounted (Refer Note 13.1 below)	(286,38,229)	(305,88,047)
Unsecured, considered doubtful	64,97,510	23,20,969
Less: Provision for Doubtful Debts	(64,97,510)	(23,20,969)
<b>Total</b>	<b>492,21,791</b>	<b>832,37,970</b>

13.1 Hypothecation by way of first and exclusive charge on all present and future book debts.

14 CASH AND BANK BALANCES	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
<b>(a) Cash And Cash equivalents</b>		
Cash on Hand	1,541	3,031
Balances with banks:		
In Current Accounts	52,24,781	69,90,278
<b>Total</b>	<b>52,26,322</b>	<b>69,93,309</b>

15 SHORT-TERM LOANS AND ADVANCES	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
<u>Unsecured considered good</u>		
<u>Other Loans and Advances</u>		
Advances recoverable in Cash or in kind or for value to be received	28,88,595	115,96,527
Loans and Advances to Related Parties	-	778,71,471
Prepaid Expenses	16,08,421	18,35,759
Advances to Staff	6,99,759	8,60,905
<b>Total</b>	<b>51,96,775</b>	<b>921,64,662</b>

15.1 The breakup of Loans and Advances to Related Parties is as below:

	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
<u>Advances to Related Parties:</u>		
Receivable From Directors	-	121,49,025
Lakshmi Car Zone Pvt Ltd	-	657,22,446
<b>Total</b>	<b>-</b>	<b>778,71,471</b>

16 OTHER CURRENT ASSETS	As At March 31, 2017 Rupees	As At March 31, 2016 Rupees
Unbilled Revenue	597,09,359	25,74,620
<b>Total</b>	<b>597,09,359</b>	<b>25,74,620</b>



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ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

17 REVENUE FROM OPERATIONS (Net of Service Tax)	For the Year Ended March 31, 2017 Rupees	For the Year Ended March 31, 2016 Rupees
Sale of Services	6380,04,408	6368,41,036
<b>Total</b>	<b>6380,04,408</b>	<b>6368,41,036</b>
<b>18 OTHER INCOME</b>	<b>For the Year Ended March 31, 2017 Rupees</b>	<b>For the Year Ended March 31, 2016 Rupees</b>
Profit on sale of Fixed Assets (Net)	-	3,47,368
Sundry Balances Written Back	35,67,192	24,818
Provision for doubtful Debts No Longer Required Written Back	8,42,517	-
<b>Total</b>	<b>44,09,709</b>	<b>3,72,186</b>
<b>19 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the Year Ended March 31, 2017 Rupees</b>	<b>For the Year Ended March 31, 2016 Rupees</b>
Salaries, Wages and Bonus (Refer Note 19.1)	5154,68,479	4808,26,578
Directors' Remuneration	18,00,000	24,00,000
Contribution to Provident and Other Funds	138,48,297	25,00,752
Gratuity and Leave Encashment (Refer Note 19.1 & 19.2)	2,53,825	55,72,642
Employee Insurance	10,12,041	1,24,176
Staff Welfare	13,85,353	19,79,317
<b>Total</b>	<b>5337,67,995</b>	<b>4934,03,465</b>
<b>19.1</b> Employee Benefits Expense for the Year Ended March 31,2017 and March 31, 2016 includes prior period salary of Rs.70,00,000 and Rs.28,84,340 respectively.		
<b>19.2</b> Gratuity and Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the Year Ended March 31, 2017.		
<b>Gratuity</b>		
Every employee is entitled to a benefit equivalent to Fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is paid at the time of separation from the Company or retirement, whichever is earlier. The benefits vest in accordance with the Payment of Gratuity Act, 1972.		
<b>Leave Encashment</b>		
Every employee is entitled to a leave encashment of 15 days of Paid Leave (Maximum carry forward of 30 days) calculated on gross pay. The same is paid at the time of separation from the Company or Retirement whichever is earlier.		
<b>20 FINANCE COSTS</b>	<b>For the Year Ended March 31, 2017 Rupees</b>	<b>For the Year Ended March 31, 2016 Rupees</b>
Interest on Loans	113,36,564	112,94,717
Other borrowing costs	55,33,321	12,47,594
<b>Total</b>	<b>168,69,885</b>	<b>125,42,311</b>
<b>21 DEPRECIATION EXPENSE</b>	<b>For the Year Ended March 31, 2017 Rupees</b>	<b>For the Year Ended March 31, 2016 Rupees</b>
Depreciation	37,14,587	20,48,481
<b>Total</b>	<b>37,14,587</b>	<b>20,48,481</b>



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ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

22 OTHER EXPENSES	For the Year Ended March 31, 2017 Rupees	For the Year Ended March 31, 2016 Rupees
Rent	78,87,814	46,99,250
Rates and Taxes	71,70,061	55,44,446
Fines & Penalties	5,04,511	8,99,930
Loss on sales of Investments	40,000	-
Electricity	8,87,859	6,35,272
Traveling and Conveyance	48,62,047	34,62,287
<u>Repairs and maintenance</u>		
-Plant and Machinery	7,27,565	1,17,212
-Others	12,64,439	19,83,517
Printing and Stationery	2,65,604	2,41,790
Communication	28,03,872	21,97,190
Legal and professional	64,89,546	119,88,580
TDS Receivable Written Off	48,62,922	-
Interest on Income Tax Paid	6,20,687	-
Auditors' Remuneration (Refer Note 22.1)	6,25,000	1,50,000
Advertisement and Business Promotion	2,94,218	4,76,140
Postage and Courier	98,611	-
Foreign Exchange Loss	1,66,015	-
Security Charges	-	94,314
Bank Charges	51,066	32,789
Sundry balances written off	-	66,759
Provision for Bad and Doubtful Debts	87,37,362	23,20,969
Office Expenses	8,25,310	1,16,997
<b>Total</b>	<b>491,84,509</b>	<b>350,27,442</b>

22.1 Auditors' Remuneration	For the Year Ended March 31, 2017 Rupees	For the Year Ended March 31, 2016 Rupees
Statutory Audit Fees	3,50,000	1,20,000
Tax Audit Fees	50,000	30,000
Other Fees	2,25,000	-
<b>Total</b>	<b>6,25,000</b>	<b>1,50,000</b>

23 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
-Bills Discounting	286,38,229	305,88,047
-Income Tax Notice AY 2014-15	34,73,920	-
-Income Tax Notice AY 2007-08	33,50,670	-

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

24 EARNINGS IN FOREIGN CURRENCY	For the Year Ended March 31, 2017 Rupees	For the Year Ended March 31, 2016 Rupees
<u>(a) Earning in Foreign Currencies</u>		
Staffing Income	99,41,955	-
<u>(b) Expenditure in Foreign Currencies</u>		
Per Diem Allowances	47,88,724	-

25 EARNINGS PER SHARE	For the Year Ended March 31, 2017 Rupees	For the Year Ended March 31, 2016 Rupees
Profit/(Loss) attributable to Equity shareholders	208,85,597	7,01,127
Weighted average number of Equity Shares:		
- For Basic and Diluted	85,020	85,020
Nominal Value of Equity Shares	10	10
Earning per Share (EPS) (In Rupees)		
- Basic and Diluted (Face Value of Rs. 10 each)	245.66	8.25



*[Handwritten signature]*

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**ASAP INFO SYSTEMS PRIVATE LIMITED****Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017****26 LEASES**

(a) The Company has taken on operating lease office premises at various locations and rents are accounted as per the agreement.

(b) Rent payments are recognised in the Statements of Profit and Loss under the head "Rent" in Notes 22 "Other Expenses" for the year ended March 31, 2017 amounting to Rs. 78,87,814 (Previous year: Rs 46,99,250).

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

Minimum Lease Rental Payable	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Within 1 year	56,09,189	Nil
Later than one year but not later than 5 year	147,09,275	Nil
More than 5 years	Nil	Nil

**27 DUES TO MICRO, SMALL & MEDIUM ENTERPRISES**

There are no dues to Micro, Small and Medium enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**28 RELATED PARTY DISCLOSURE****(a) Related parties where control exists:****Nature of Relationship**

Ultimate Holding Company TeamLease Services Limited ('TSL')  
*\*Ultimate Holding company w.e.f September 01, 2016.*

Holding Company TeamLease Staffing Services Private Limited ('TSSPL')  
*\*Holding company w.e.f September 01, 2016.*

Subsidiary Company Lakshmi Car Zone Private Limited ('LCZPL')  
*\*Ceased to be the subsidiary company w.e.f July 19, 2016.*

**(b) Other Related Parties:**

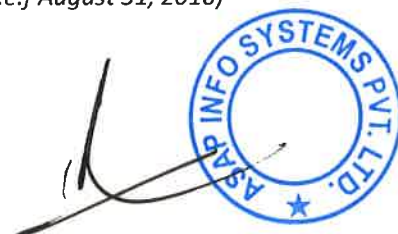
Key Management personnel Mr. K J Suwresh - Director (*Resigned w.e.f August 31, 2016*)  
Mrs. K Lakshmisuthaa - Director (*Resigned w.e.f August 31, 2016*)

Non-Executive Directors Mrs. Shilpa Kamlesh Avarsekar (*w.e.f November 08, 2016*)  
Mr. Ashok Kumar Nedurumalli (*w.e.f August 31, 2016*)  
Mr. Narayan Swamy Ravi Vishwanath (*w.e.f August 31, 2016*)

Enterprise over which Key Management Personnel are able to exercise significant influence with whom transactions have taken place ASAP Services Private Limited ('ASPL')  
*\*Ceased w.e.f August 31, 2016*



*(Signature)*



ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Nature of Transactions	Name of Related Party	Ultimate Holding Company/Subsidiary Company		Key Management Personnel and their relatives		Enterprise over which Key Management Personnel are having Significant Influence		Total	
		March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016
<b>FINANCE</b>									
Loans given to related parties	K J Suwresh	-	-	5554,31,730	329,57,361	-	-	5554,31,730	329,57,361
	K Lakshmisuthaa	-	-	1,51,695	16,67,210	-	-	1,51,695	16,67,210
	LCZPL	555,14,771	3449,86,455	-	-	-	-	555,14,771	3449,86,455
<b>Total Loans given to related parties</b>		<b>555,14,771</b>	<b>3449,86,455</b>	<b>5555,83,425</b>	<b>346,24,571</b>	<b>-</b>	<b>-</b>	<b>6110,98,196</b>	<b>3796,11,026</b>
Repayment of loans/advances by related parties	K J Suwresh	-	-	659,53,176	224,75,547	-	-	659,53,176	224,75,547
	K Lakshmisuthaa	-	-	18,18,905	-	-	-	18,18,905	-
	LCZPL	1240,38,175	2490,70,435	-	-	-	-	1240,38,175	2490,70,435
<b>Total-Repayment of loans/advances by related parties</b>		<b>1240,38,175</b>	<b>2490,70,435</b>	<b>677,72,081</b>	<b>224,75,547</b>	<b>-</b>	<b>-</b>	<b>1899,91,351</b>	<b>2715,45,982</b>
Loans received from related parties	TLSL	573,78,627	-	-	-	-	-	573,78,627	-
	TSSPL	2480,00,000	-	-	-	-	-	2480,00,000	-
Interest on loan received	TLSL	4,12,989	-	-	-	-	-	4,12,989	-
	TSSPL	18,27,246	-	-	-	-	-	18,27,246	-
<b>Total Receivables</b>		<b>577,91,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,91,616</b>	<b>-</b>
	TSSPL	<b>2498,27,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2498,27,246</b>	<b>-</b>
Loan Repaid	TLSL	573,78,627	-	-	-	-	-	573,78,627	-
	TSSPL	2465,05,659	-	-	-	-	-	2465,05,659	-
Interest Repaid	TLSL	4,12,989	-	-	-	-	-	4,12,989	-
	TSSPL	18,27,246	-	-	-	-	-	18,27,246	-
<b>Total repaid</b>		<b>577,91,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,91,616</b>	<b>-</b>
	TSSPL	<b>2483,32,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2483,32,905</b>	<b>-</b>
<b>OTHER RECEIPTS AND PAYMENTS</b>									
Rent Paid	LCZPL	8,64,117	16,80,435	-	-	-	-	8,64,117	16,80,435
	TLSL	3,72,000	-	-	-	-	-	3,72,000	-
<b>Total Rent Paid</b>		<b>12,36,117</b>	<b>16,80,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,36,117</b>	<b>16,80,435</b>
Service Charges	TLSL	10,27,073	-	-	-	-	-	10,27,073	-
Salaries/Investments	K J Suwresh	-	-	159,60,000	-	-	-	159,60,000	-
Consultancy Fee	ASPL	-	-	-	-	-	4,38,643	-	4,38,643





ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Nature of Transactions	Name of Related Party	Ultimate Holding Company/Holding Company/Subsidiary Company		Key Management Personnel and their relatives		Enterprise over which Key Management Personnel are having Significant Influence		Total	
		March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016
		(In Rupees)							
Remuneration to Key Management Personnel	K J Suwresh K Lakshmisuthaa	-	-	8,00,000	12,00,000	-	-	8,00,000	12,00,000
Total-Remuneration to Key Management Personnel		-	-	18,00,000	24,00,000	-	-	18,00,000	24,00,000
<b>OUTSTANDING BALANCES</b>									
Receivables									
Loans and Advances Receivable	K J Suwresh K Lakshmisuthaa LCZPL	-	-	-	104,81,815 16,67,210	-	-	-	104,81,815 16,67,210
Total-Loans and advances Receivables		-	657,22,446	-	121,49,025	-	-	-	778,71,471
Trade Receivables	TLSL	10,37,444	-	-	-	-	-	10,37,444	-
<b>Payables</b>									
Sundry Creditors for rent	LCZPL TLSL	-	-	-	-	-	-	8,64,117 65,100	-
Loan taken	TLSL TSSPL	-	-	-	-	-	-	-	-
Investments in Subsidiary	LCZPL	-	160,00,000	-	-	-	-	-	160,00,000
Total-Investments		-	160,00,000	-	-	-	-	-	160,00,000

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ASAP INFO SYSTEMS PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

29 a) EMPLOYEE BENEFITS - GRATUITY (Un-funded)

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

Disclosure relating to actuarial valuation of Gratuity:

	Core Employees As at March 31, 2017	Consultants As at March 31, 2017	Combined Report As at March 31, 2016
<b>I. Assumptions</b>			
Discount Rate	6.46% p.a.	6.25% p.a.	7.70% p.a.
Expected Return On Plan Assets	N/A	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	8% p.a.	8% p.a.	8% p.a.
Attrition	39% p.a.	49% p.a.	10% p.a.
Retirement	58 yrs.	58 yrs.	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>			
Present Value Of obligation at the beginning of the year	19,72,193	29,32,026	26,61,485
Adjustment to present value	-	-	-
Interest Cost	1,27,404	1,80,660	2,07,596
Current Service Cost	5,00,511	3,27,013	19,59,327
Past Service Cost	-	-	-
Benefits Paid	-	(82,933)	-
Transfer In	-	-	-
Actuarial (gain) loss on Obligation	(12,91,164)	(28,45,343)	75,811
<b>Present Value Of obligation at the end of the year</b>	<b>13,08,944</b>	<b>5,11,423</b>	<b>49,04,219</b>
<b>III. Actuarial gain (loss) recognized</b>	<b>12,91,164</b>	<b>28,45,343</b>	<b>(75,811)</b>
<b>IV. Balance Sheet Recognition</b>			
Present Value Of Obligation	13,08,944	5,11,423	49,04,219
Fair Value Of Plan Assets	-	-	-
Liability (assets)	13,08,944	5,11,423	49,04,219
Unrecognised Past Service Cost	-	-	-
<b>Liability (asset) recognised in the Balance Sheet</b>	<b>13,08,944</b>	<b>5,11,423</b>	<b>49,04,219</b>
<b>V. Expenses Recognition</b>			
Current Service Cost	5,00,511	3,27,013	19,59,327
Interest Cost	1,27,404	1,80,660	2,07,596
Expected Return On plan assets	-	-	-
Net Actuarial gain (loss) recognised in the year	(12,91,164)	(28,45,343)	75,811
Past Service Cost	-	-	-
<b>Expenses Recognised in the statement of Profit and Loss*</b>	<b>(6,63,249)</b>	<b>(23,37,670)</b>	<b>22,42,734</b>
<b>VI. Movements in the liability recognised in Balance Sheet</b>			
Opening net Liability	19,72,193	29,32,026	26,61,485
Adjustment to Present Value	-	-	-
Expenses	(6,63,249)	(23,37,670)	22,42,734
Contribution	-	(82,933)	-
Transfer In	-	-	-
Closing Net Liability	<b>13,08,944</b>	<b>5,11,423</b>	<b>49,04,219</b>
<b>VII. Current and Non-Current Liability</b>			
Current	3,85,682	62,683	1,69,614
Non-current	9,23,262	4,48,740	47,34,605
<b>VIII. Experience adjustment</b>			
Experience adjustment on Plan assets	(11,44,576)	(6,48,667)	(2,81,277)
Experience adjustment on Plan assets	NA	NA	NA
Assumption Change	(1,46,588)	(21,96,676)	-
Total experience adjustment	(12,91,164)	(28,45,343)	(2,81,277)

\* In addition to above the Company has provided gratuity towards the outgoing directors amounting to Rs. 1,489,324



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**ASAP INFO SYSTEMS PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

**30 Segment Reporting:**

**Primary Segment:**The Business segment has been considered as the Primary Segment for disclosure. The Company is in the business of providing manpower services. Accordingly there are no reportable segments as per AS 17 issued by The Institute of Chartered Accountants of India.

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

**31 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	=	51,541	51,541
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	51,541	51,541

**32 Previous Year Figures**

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

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

Signatures to Note Number 1 to 32 forming part of the Financial Statements.

**For Manian & Rao - Chartered Accountants**

Firm Registration Number: 001983S



**Paresh Daga**

Partner

Membership No: 211468

Place : Bengaluru

Date : May 17, 2017

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



**Ashok Kumar Nedurumalli**

Director

DIN: 00151814

Place : Bengaluru

Date : May 17, 2017



**N. Ravi Vishwanath**

Director

DIN: 07332234



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IIJT Education Private Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of IIJT Education Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP Udenya No. LLPIN/AC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of IIJT Education Private Limited

Report on the Financial Statements

Page 2 of 3

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

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of IIJT Education Private Limited

Report on the Financial Statements

Page 3 of 3

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements – Refer Note 20;
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 26.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Arvind Daga  
Partner  
Membership Number 108290

Place: Bangalore  
Date: May 18, 2017

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements for the year ended March 31, 2017

Page 1 of 3

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

1. We have audited the internal financial controls over financial reporting of IIJT Education Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements for the year ended March 31, 2017

Page 2 of 3

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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





# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

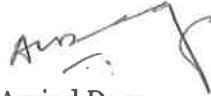
Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements for the year ended March 31, 2017

Page 3 of 3

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Arvind Daga  
Partner  
Membership Number 108290

Place: Bangalore  
Date: May 18, 2017

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements as of and for the year ended March 31, 2017

- i. The Company doesn't have any fixed asset. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues, including provident fund, service tax, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income tax, 1961	Income tax	2,284,370	Assessment year 2011-12	CIT(Appeals)
Income tax, 1961	Income tax	960,076	Assessment year 2013-14	CIT(Appeals)
Kolkata Municipal Corporation, 1880	Property tax	3,416,100 (Refer Note 20 (c) of the financial statements)	October 01, 2014 to March 31, 2016	The High Court of Calcutta



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of IIJT Education Private Limited on the financial statements for the year ended March 31, 2017  
Page 2 of 2

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Arvind Daga  
Partner  
Membership Number 108290

Place: Bangalore  
Date: May 18, 2017

**IJJT EDUCATION PRIVATE LIMITED**

Balance Sheet as at March 31, 2017

	Note	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	80,000,000	80,000,000
Reserves and Surplus	4	(63,186,759)	(65,798,653)
<b>Current Liabilities</b>			
Short Term Borrowings	5	8,130,293	12,760,574
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6	277,000	341,048
Other Current Liabilities	7	2,874,790	2,679,802
Short Term Provisions	8	73,873	33,396
<b>Total</b>		<b>28,169,197</b>	<b>30,016,167</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Long term Loans and Advances	9	3,014,804	3,310,630
Other Non Current Assets	10	-	-
<b>Current Assets</b>			
Trade Receivables	11	20,235	20,235
Cash and Bank Balances	12	374,721	3,879,754
Short Term Loans and Advances	13	681,349	593,351
Other Current Assets	14	24,078,088	22,212,197
<b>Total</b>		<b>28,169,197</b>	<b>30,016,167</b>

Significant Accounting Policies 2

The accompanying Notes are an Integral part of the Financial Statements.


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

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016

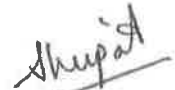


**Arvind Daga**  
Partner  
Membership No: 108290

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



**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814



**Shilpa Avarsekar**  
Director  
DIN: 00005597



**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078

Place : Bangalore  
Date : MAY 18, 2017

Place : Bangalore  
Date : MAY 18, 2017

**IIJT EDUCATION PRIVATE LIMITED****Statement of Profit and Loss for the year ended March 31, 2017**

	Note	For the year ended March 31, 2017 Rupees	For the year ended March 31, 2016 Rupees
<b>Revenue</b>			
Other Income	15	4,240,061	6,959,644
<b>Total Revenue</b>		<b>4,240,061</b>	<b>6,959,644</b>
<b>Expenses</b>			
Employee Benefits Expense	16	470,677	430,400
Other Expenses	17	1,157,490	1,385,088
<b>Total Expenses</b>		<b>1,628,167</b>	<b>1,815,488</b>
Profit before Tax		<b>2,611,894</b>	<b>5,144,156</b>
Tax Expense		-	-
Profit for the year		<b>2,611,894</b>	<b>5,144,156</b>
Earning Per Equity Share (Nominal Value per Equity share - Rs 10) Basic and Diluted	18	<b>0.33</b>	<b>0.64</b>

Significant Accounting Policies

2

The accompanying Notes are an integral part of the Financial Statements.

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

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016**Arvind Daga**  
Partner  
Membership No: 108290**For and on behalf of the Board of Directors****Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814**Shilpa Avarsekar**  
Director  
DIN: 00005597**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078Place : Bangalore  
Date : MAY 18, 2017Place : Bangalore  
Date : MAY 18, 2017

**IIJT EDUCATION PRIVATE LIMITED**

**Cash Flow Statement for the year ended March 31, 2017**

	For the year ended March 31, 2017 Rupees	For the year ended March 31, 2016 Rupees
<b>A Cash flow from operating activities:</b>		
Net profit before tax	2,611,894	5,144,156
<b>Adjustments for :</b>		
Interest on fixed deposit	(2,801)	(43,400)
Provision for doubtful debts no longer required written back	-	(2,696,652)
Sundry balances written back	-	(19,592)
Sundry balances written off	3,384	-
Bad debts written off	-	335,284
<b>Operating profit before working capital changes</b>	<b>2,612,477</b>	<b>2,719,796</b>
<b>Adjustment for changes in working capital:</b>		
Increase / (Decrease) in trade payables	(64,048)	171,300
Increase / (decrease) in other current liabilities	194,988	225,372
Increase / (decrease) in Short term provisions	40,477	-
Decrease / (increase) in long term loans and advances	41,309	480,260
Decrease in trade receivable	-	2,716,244
(Increase) / decrease in short term loans and advances	(87,998)	(12,228)
Decrease / (Increase) in other current assets	(1,905,293)	-
<b>Cash (used in) / generated from Operations</b>	<b>831,912</b>	<b>6,300,744</b>
Taxes paid	(254,517)	(256,340)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>1,086,429</b>	<b>6,044,404</b>
<b>B Cash flow from investing activities:</b>		
Proceeds from Fixed deposits	100,000	454,618
Interest received on fixed deposit	38,819	125,919
<b>Net cash generated from investing activities (B)</b>	<b>138,819</b>	<b>580,537</b>
<b>C Cash flow from financing activities :</b>		
Repayment of short term borrowings	(4,630,281)	(6,445,852)
<b>Net cash used in financing activities (C)</b>	<b>(4,630,281)</b>	<b>(6,445,852)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(3,405,033)</b>	<b>179,089</b>
Cash and cash equivalent at the beginning of the year	3,779,754	3,600,665
<b>Cash and cash equivalent at the end of the year</b>	<b>374,721</b>	<b>3,779,754</b>
<b>Cash and cash equivalent comprises of</b>		
Balances with banks - current account	374,721	3,779,754
<b>Cash and cash equivalent at the end of the year</b>	<b>374,721</b>	<b>3,779,754</b>

**Notes**

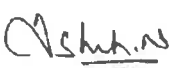
- 1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- 2 Figures in the bracket indicate cash outgo / income.
- 3 Previous year's figures have been regrouped and re-arranged wherever necessary to conform to the current period's classification.
- 4 The accompanying notes are an integral part of the Financial Statements.

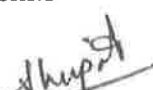
This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016

  
**Arvind Daga**  
Partner  
Membership No: 108290

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

  
**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814

  
**Shilpa Avarsekar**  
Director  
DIN: 00005597

  
**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078

Place : Bangalore  
Date : MAY 18, 2017

Place : Bangalore  
Date : MAY 18, 2017

# IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

## 1. General Information

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

## 2. Summary of Significant accounting policies

### a) Basis of preparation:

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

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

### b) Use of Estimates:

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



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## IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

### c) Property, Plant & Equipment – Tangible:

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

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

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

### d) Intangible assets:

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are amortised on a straight line basis over their estimated future lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten year from the date when the asset is available for use is considered by the management. The amortization period and the amortization method are reviewed at each financial year end and if the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### e) Borrowing Costs:

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

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



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## IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

### f) Impairment of Assets:

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash flows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and its disposal at the end of its useful life. Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

### g) Foreign Currency Transactions:

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

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

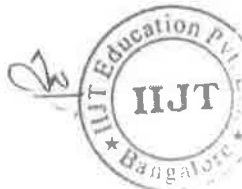
### h) Revenue Recognition:

#### Other Income:

- Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Rental income is accounted on accrual basis as per the terms of the agreement. Rent equalization is considered only if the agreement is non-cancellable for more than one year and the incremental rent is fixed over the term of the agreement.
- Net Income excludes Service Tax and Value Added Tax (VAT).



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## IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

### i) Employee Benefits:

#### i. Provident Fund

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

#### ii. Gratuity

The employees of the Company are entitled for Gratuity as per the policy of the Company. The liability in respect of Gratuity that accrues to employees as at the year-end is charged to the Statement of Profit and Loss on an undiscounted basis.

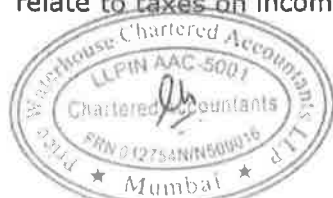
#### iii. Compensated absences

The employees of the Company are entitled for compensated absences and leave encashment as per the policy of the Company. The liability in respect of unutilised leave balance that accrues to employees as at the year-end is charged to the Statement of Profit and Loss on an undiscounted basis.

### j) Taxes on Income:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

- i. Current tax is determined as the amount of tax expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and the liabilities on a net basis.
- ii. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized in books of accounts only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised by the Company. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax and liabilities relate to taxes on Income levied by the same governing taxation laws.



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## IIJT Education Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

### k) Provisions and Contingent Liabilities:

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

### l) Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments/ receipts are recognised as an expense/ income in the Statement of Profit and Loss on a straight-line basis over the lease term.

### m) Earnings Per Share:

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

### n) Cash and Cash Equivalents:

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



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## IJIT EDUCATION PRIVATE LIMITED

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

### 3 SHARE CAPITAL

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>Authorised</b>		
10,000,000 Equity shares of Rs. 10 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed and Paid-Up</b>		
8,000,000- Equity Shares of Rs. 10 each fully paid up	80,000,000	80,000,000
	<u>80,000,000</u>	<u>80,000,000</u>

#### 3.1 Reconciliation of number of shares

	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning and at the end of the year	8,000,000	80,000,000	8,000,000	80,000,000

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

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share. 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.

#### 3.3 Shares held by Holding Company

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount	Number of Shares	Amount
TeamLease Services Limited and Its Nominee	8,000,000	80,000,000	8,000,000	80,000,000
<b>Total</b>	<b>8,000,000</b>	<b>80,000,000</b>	<b>8,000,000</b>	<b>80,000,000</b>

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	% holding	Number of Shares	% holding
TeamLease Services Limited and its Nominee	8,000,000	100%	8,000,000	100%
<b>Total</b>	<b>8,000,000</b>	<b>100%</b>	<b>8,000,000</b>	<b>100%</b>

3.5 There are no shares reserved for issue under options.

3.6 There are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the year ended March 31, 2017.

3.7 There are no shares bought back by the Company during the period of five years immediately preceding the year ended March 31, 2017.

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

### 4 RESERVES AND SURPLUS

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>Securities Premium Account</b>		
Balance as at the Beginning and End of the year	224,813,740	224,813,740
<b>Deficit in Statement of Profit and Loss</b>		
Balance as at the Beginning of the year	(290,612,393)	(295,756,549)
Add : Profit for the year	2,611,894	5,144,156
Balance as at the End of the year	<u>(288,000,499)</u>	<u>(290,612,393)</u>
<b>Total</b>	<u><b>(63,186,759)</b></u>	<u><b>(65,798,633)</b></u>



**IIJT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

**5 SHORT TERM BORROWINGS**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<u>Unsecured</u>		
Loan from Holding Company*	8,130,293	12,760,574
<b>Total</b>	<b>8,130,293</b>	<b>12,760,574</b>

\* The Loan taken from the Holding Company is interest free loan and is repayable on demand.

**6 TRADE PAYABLES**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Trade payables (other than Micro, Small and Medium Enterprises) (Refer Note - 25)	277,000	341,048
<b>Total</b>	<b>277,000</b>	<b>341,048</b>

**7 OTHER CURRENT LIABILITIES**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Employees Benefits Payable	48,012	18,000
Statutory Dues *	46,068	72,068
Other Liabilities	680,710	489,734
Security Deposit	2,100,000	2,100,000
<b>Total</b>	<b>2,874,790</b>	<b>2,679,802</b>

\* There are no amounts due and outstanding to be provided to the Investor Education and Protection Fund under section 205C of Companies Act, 2013 as at the year end.

**8 SHORT TERM PROVISIONS**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<u>Provision for Employee Benefits</u>		
Leave Encashment (refer Note 19(a))	33,396	33,396
Gratuity Payable (refer Note 19(a))	40,477	-
<b>Total</b>	<b>73,873</b>	<b>33,396</b>



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**IJIT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

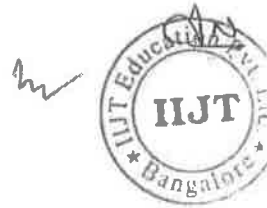
9 LONG TERM LOANS AND ADVANCES	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<u>Unsecured considered good (unless otherwise stated)</u>		
<u>Other loans and advances</u>		
CENVAT Credit Receivable	10,799	561,142
Tax Deducted at Source *	3,004,005	2,749,488
<b>Total</b>	<b>3,014,804</b>	<b>3,310,630</b>
* Net of provisions for Income Tax Rs. NIL ( Previous year Rs. NIL)		
10 OTHER NON CURRENT ASSETS	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<u>Long Term Trade Receivables</u>		
Unsecured considered doubtful	168,210	168,210
Less : Provision for Doubtful Trade Receivables	(168,210)	(168,210)
<b>Total</b>	<b>-</b>	<b>-</b>
11 TRADE RECEIVABLES	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<u>Unsecured, considered good</u>		
Outstanding for a period exceeding 6 months from the date they are due for payment	20,235	20,235
<b>Total</b>	<b>20,235</b>	<b>20,235</b>
12 CASH AND BANK BALANCES	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>(a) Cash And Cash Equivalents</b>		
<u>Balances with banks</u>		
Current Accounts	374,721	3,779,754
<b>(b) Other Bank Balances</b>		
Fixed Deposits Accounts (Maturity more than 12 months but within one year from the reporting date)	-	100,000
<b>Total</b>	<b>374,721</b>	<b>3,879,754</b>
13 SHORT TERM LOANS AND ADVANCES	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<u>Unsecured considered good</u>		
Advances recoverable In Cash or In kind or for value to be received	29,160	29,160
Provision for doubtful advances	(29,160)	(29,160)
Prepaid Expenses	5,149	5,351
CENVAT Receivable	676,200	588,000
<b>Total</b>	<b>681,349</b>	<b>593,351</b>
14 OTHER CURRENT ASSETS	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Interest Accrued on Fixed Deposits	-	39,402
Building held for Sale (refer Note 27)	22,172,795	22,172,795
Balances with Government Authorities (Refer Note 20(c))	1,905,293	-
<b>Total</b>	<b>24,078,088</b>	<b>22,212,197</b>



**IIJT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

<b>15 OTHER INCOME</b>	<b>For the year ended March 31, 2017 Rupees</b>	<b>For the year ended March 31, 2016 Rupees</b>
Interest on Fixed Deposits	2,801	43,400
Provision for Doubtful debts no longer required Written Back	-	2,696,652
Sundry Balances Written Back	-	19,592
Rental Income	4,237,260	4,200,000
<b>Total</b>	<b>4,240,061</b>	<b>6,959,644</b>
<b>16 EMPLOYEE BENEFITS EXPENSE</b>	<b>For the year ended March 31, 2017 Rupees</b>	<b>For the year ended March 31, 2016 Rupees</b>
Salaries and Allowances	400,752	400,952
Gratuity (Refer Note 19(a))	40,477	-
Employers' Contribution to Provident Fund and Other Funds (Refer Note 19 (b))	29,448	29,448
<b>Total</b>	<b>470,677</b>	<b>430,400</b>
<b>17 OTHER EXPENSES</b>	<b>For the year ended March 31, 2017 Rupees</b>	<b>For the year ended March 31, 2016 Rupees</b>
Rates and Taxes	112,988	155,087
Professional and Consultancy	625,513	569,113
<u>Auditors' Remuneration</u>		
Audit Fees	400,000	300,000
Out of Pocket Expenses	7,208	11,400
Insurance	7,937	7,290
Bad Debts written off	-	-
Less: Related Provision for Doubtful Debts Written Back	-	335,284
Bank Charges	460	456
Office Expenses	-	6,458
Sundry Balances Written off	3,384	-
<b>Total</b>	<b>1,187,490</b>	<b>1,385,088</b>



**IIJT EDUCATION PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.

**18 Earning per Equity Share**

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Profit / (Loss) for the year (in Rupees)	2,611,894	5,144,156
Weighted average number of Equity Shares	8,000,000	8,000,000
Nominal Value of Shares ( in Rupees)	10	10
Earning per Equity Share (Nominal value per share Rs,10 each ) Basic and Diluted	0.33	0.64

**19 a) Short Term Employee Benefits:**

Unutilised leave balance that accrues to employees and Gratuity as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis. During the period ended March 31, 2017 and year ended March 31, 2016, there is no provision for leave encashment. Gratuity expenses of Rs. 40,477/- have been provided during the year ended March 31, 2017.

**b) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:**

	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
	Rupees	Rupees
Employers Contribution to Provident Fund	20,208	20,208
Labour Welfare Fund & PF Admin Charges	9,240	9,240
<b>Total</b>	<b>29,448</b>	<b>29,448</b>

**20 Contingent Liability**

- a) Income tax matter in respect of Financial Year 2010-11 for which an appeal has been filed with Commissioner of Income Tax (Appeals) on April 23, 2014 against demand notice of Rs. 2,284,370 (Previous year Rs. 2,284,370).
- b) Income tax matter in respect of Financial year 2012-13 for which an appeal has been filed with Commissioner of Income Tax (Appeals) against demand notice of Rs. 960,076(Previous year Rs. 960,076).
- c) During the year, the Company has filed an appeal with Kolkata Municipal Tribunal against the demand notice raised by Kolkata Municipal Corporation towards property tax of Rs. 3,416,100 by depositing part of the amount under protest. This has been considered as contingent liability.

**21 Segment Reporting :**

**Primary Segments**

The Business segment has been considered as the Primary Segment for disclosure. The Company is in the business of imparting vocational Training. Accordingly there are no reportable segments as per AS 17 issued by The Institute of Chartered Accountants of India.

**Geographical Segment**

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

**22 Related Party Disclosure**

**(a) Related parties where control exists:**

Nature of Relationship	Name of the Party
Holding Company	TeamLease Services Limited

**(b) Other Related Parties:**

Key Management personnel	
	Ashok Kumar Nedurumalli - Director
	Gopal Jain - Director
	Shilpa Avarsakar - Director

**Transactions carried out with related parties in the ordinary course of business**

Nature of Transactions	Holding Company	
	March 2017	March 2016
<b>Transactions during the year</b>		
Advances Taken - TeamLease Services Limited	530,293	-
Advances Repaid - TeamLease Services Limited	5,160,574	6,696,652
Other Expenses - TeamLease Services Limited	314,800	240,000
<b>Amount outstanding as at Balance Sheet date</b>		
<b>Amounts due to (Cr.)</b>		
Short Term Borrowings - Unsecured - TeamLease Services Limited	8,130,293	12,760,574





**IIJT EDUCATION PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017.**

- 23** The net worth of the Company is substantially eroded due to accumulated losses as at March 31, 2017. Taking into account the commitment made by the holding company to infuse additional capital, if required, the Financial Statements of the Company have been prepared on a "Going Concern" basis.
- 24** In view of the accumulated losses, no deferred tax asset has been considered in books of account. Considering that such deferred tax asset has not been recognised, the Company has also not recorded the timing differences in the nature of deferred tax liabilities that would be reversed and reduce such deferred tax asset in future.
- 25 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**  
There are no dues to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 26** The Company did not have any Specified Bank Notes / Other denomination notes during November 08, 2016 to December 30, 2016. Hence disclosure for the same is not applicable.
- 27** During the year ended March 31, 2015, Building had been classified as held for sale under 'Other Current Assets', considering intent of the Company to dispose off the building. This classification continues as on March 31, 2017 as the intention of the management to sell the building and discussions are at advance stage.
- 28** Prior year amounts have been reclassified, wherever necessary, to conform with current period's classification.

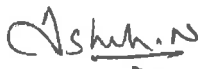
The attached notes 1 to 28 to the financial statements form an integral part of the financial statements.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. - 012754N/N500016

  
**Arvind Daga**  
Partner  
Membership No: 108290

Place : Bangalore  
Date : **MAY 18, 2017**

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

  
**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814

  
**Vishwanathan Venkataraman**  
Company Secretary  
CSN: 7078

Place : Bangalore  
Date : **MAY 18, 2017**

  
**Shilpa Avarsekar**  
Director  
DIN: 08005597

## INDEPENDENT AUDITORS' REPORT

To the Members of **Keystone Business Solutions Private Limited,**

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Keystone Business Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the period ended on that date and
- (c) Cash flows for the year ended on that date.

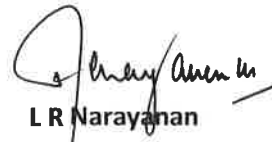
## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' - statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts and returns.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and auditors), 2014, in our opinion and according to the information and explanations given to us, to the best of our knowledge :
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts, for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. The company has provided requisite disclosures in its Financial Statements as to its holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.
- 

For Narayanan, Patil and Ramesh  
Chartered Accountants  
Firm Reg. No. 002395S

  
L R Narayanan

Partner

Membership No: 200/25588



Place: Bangalore  
Date: 17<sup>th</sup> May, 2017

## ANNEXURE 'A' TO AUDITORS' REPORT

Annexure referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements** of the Auditors' Report to the members of **Keystone Business Solutions Private Limited** on the accounts for the period ended 31<sup>st</sup> March 2017.

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.  
  
(c) There are no Immovable Properties held in the name of the company.
- ii. According to the information and explanations given to us, the provision of clause 3(ii) is not applicable, as the Company has no inventory.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanation given to us, the company does not have any loans, investments, guarantees and securities covered under the provisions of section 185 and 186 of the Companies Act 2013.
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits as per the directive issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly paragraph (v) of the Order is not applicable to the Company.
- vi. According to the information and explanation given to us, the Central Government has not specified the maintenance of cost records under sub-section (I) of section 148 of the Companies Act, for the products/ services of the company.
- vii. (a) The company is generally regular in depositing undisputed statutory dues including income tax, sales tax, service tax, value added tax, cess and other applicable statutory dues with the appropriate authorities except for a few delays in respect of remittances of the same.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable except with respect to interest on service tax amounting to Rs. 1,46,309/-.  
  
(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



- (d) There are no amounts that were required to be transferred to Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules made there under.
- viii. Based on our audit and according to the information and explanations given to us, the company has not availed loan from banks, financial institutions and government, and has no debentures. Accordingly, paragraph (viii) is not applicable.
- ix. Based on our audit and according to the information and explanations given to us, the Company has not borrowed monies nor have any outstanding dues to a financial institution or bank at any point of time during the year.
- x. Based on our Audit and according to the information and explanations given to us and as represented by the management, no fraud on or by the Company or by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the provisions of section 197 of the Act, read with Schedule V of the Act are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- xiii. Based on our audit and according to the information and explanations given to us and as represented by the management, all the transactions with the related parties are in compliance with sections 177 and 188 of the companies Act 2013, and the same have been disclosed in the in the notes forming part of financial statements under-2.5 as required by applicable Accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly Para (xiv) is not applicable.
- xv. Based on our audit and according to the information and explanations given to us, the Company has not entered into any Non-Cash transactions with directors or persons connected with them.
- xvi. Based on our audit and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Narayanan, Patil and Ramesh  
Chartered Accountants  
FRN: 002395S

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



Place: Bangalore  
Date: 17<sup>th</sup> May, 2017

## ANNEXURE 'B' TO AUDITORS' REPORT

---

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

We have audited the internal financial controls over financial reporting of **M/s Keystone Business Solutions Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 Narayanan, Patil and Ramesh  
Chartered Accountants  
FRN: 002395S



  
L. R. Narayanan  
Partner

Membership No. 200/25588

Place: Bangalore  
Date: 17<sup>th</sup> May, 2017



**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2017**

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
<b>EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	4,26,270	4,26,270
(b) Reserves and Surplus	4	199,11,563	41,89,306
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	5	-	29,13,565
(b) Long term Provisions	6	18,17,551	4,74,000
<b>(3) CURRENT LIABILITIES</b>			
(a) Trade Payables	7	1,52,295	1,93,820
(b) Other Current Liabilities	8	46,42,887	45,94,587
(c) Short term Provisions	9	89,35,087	11,35,112
<b>TOTAL</b>		<b>358,85,653</b>	<b>139,26,660</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a.Fixed Assets			
(i)Tangible Assets	10	7,305	3,82,210
(ii)Intangible Assets		40,488	28,197
b.Non-Current Investments	11	-	99,990
c.Deferred Tax Assets	12	4,70,555	2,01,057
d.Long Term Loans and Advances	13	46,33,792	5,00,000
<b>CURRENT ASSETS</b>			
a. Trade receivables	14	177,76,715	56,43,148
b. Cash/bank and Cash equivalents	15	104,61,659	27,66,557
c. Short Term Advances and Loans	16	71,26,123	42,99,820
d. Other Current Assets	17	3,69,017	5,682
<b>TOTAL</b>		<b>358,85,653</b>	<b>139,26,660</b>

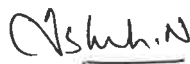
Significant accounting policies and additional notes forming integral part of the Financial Statements

1&2

For and behalf of  
**Keystone Business Solutions Private Limited**



**N Ravi Vishwanath**  
Director  
DIN: 07332234



**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814



Place : Bangalore  
Date : May 17, 2017

"As per our report of even date "

**Narayanan Patil and Ramesh**

Chartered Accountants  
Firm Regn. No. : 002395S



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



Place : Bangalore  
Date : May 17, 2017

**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

	Particulars	Note no.	Year Ended 31-Mar-17 Rs.	Year Ended 31-Mar-16 Rs.
	<b>Revenue from Operations</b>			
I	Income from Services	18	788,72,367	264,77,658
II	Other Income	19	2,18,306	2,79,730
III	<b>Total Revenue (I + II)</b>		<b>790,90,673</b>	<b>267,57,388</b>
IV	<b>Expenses:</b>			
	Employee expenses	20	474,25,380	187,56,100
	Finance Cost	21	18,735	40,010
	Depreciation and amortization expenses	10	1,56,021	2,71,096
	Other Expenses	22	79,04,269	36,44,532
	<b>Total expenses</b>		<b>555,04,406</b>	<b>227,11,737</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		235,86,267	40,45,651
VI	Exceptional Items		-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		235,86,267	40,45,651
VIII	Extraordinary Items		-	-
IX	<b>Profit/(Loss) before tax (VII - VIII)</b>		<b>235,86,267</b>	<b>40,45,651</b>
X	<b>Tax Expenses</b>			
	Current tax		(81,33,509)	(7,91,968)
	Minimum alternate tax - credit		-	(37,350)
	Deferred tax		2,69,498	24,084
XI	<b>Profit/(Loss) for the year (IX - X)</b>		<b>157,22,256</b>	<b>32,40,417</b>
XI	Earnings per equity share of face value of Rs.10 each			
	Basic		368.83	76.02
	Diluted		368.83	76.02

Significant accounting policies and additional notes forming integral part of the Financial Statements

1&2

For and behalf of  
**Keystone Business Solutions Private Limited**

"As per our report of even date "  
**Narayanan Patil and Ramesh**  
Chartered Accountants  
Firm Regn. No. : 0023955









**N Ravi Vishwanath**  
Director  
DIN: 07332234

**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814

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

Place : Bangalore  
Date: May 17, 2017



Place : Bangalore  
Date: May 17, 2017

**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 2017**  
**(All amounts in INR. unless otherwise stated)**

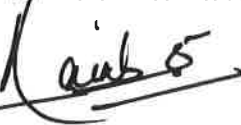
Sl.No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i)	Cash flows from operating activities		
	Net profit before tax	235,86,267	40,45,650
	<b>Adjustments for Non Cash &amp; Non Operating items:</b>		
	Depreciation and amortisation	1,56,021	2,71,096
	Interest expenses	18,735	40,010
	Profit on sale of Investments	-1,79,982	-
	Profit on sale of Assets	-32,051	-
	<b>Operating profit before working capital changes</b>	<b>235,48,991</b>	<b>43,56,756</b>
	Increase / (Decrease) in Long-term borrowings	-29,13,565	6,93,296
	Increase / (Decrease) in Long-term provisions	5,14,233	1,06,209
	Increase / (Decrease) in Trade payables	-41,525	54,972
	Increase / (Decrease) in Other current liabilities	48,301	-6,25,982
	Increase / (Decrease) in Short-term provisions	4,95,783	1,58,070
	(Increase) / Decrease in Long Term Loans and Advances	-41,33,792	-
	(Increase) / Decrease in Trade receivables	-71,33,567	-30,81,679
	(Increase) / Decrease in Short Term loans and advances	-	17,12,122
	(Increase) / Decrease in Other current Assets	-3,63,335	1,72,728
	Cash generated from operations	<b>100,21,525</b>	<b>35,46,491</b>
	Income taxes paid	-28,26,303	-23,10,814
	<b>Net cash from operating activities</b>	<b>71,95,221</b>	<b>12,35,677</b>
(ii)	Cash flows from investing activities		
	Purchase of tangible/ intangible assets	-1,86,348	-29,000
	Proceeds from Sale of Investments	2,79,972	-
	Proceeds from Sale of Assets	4,24,992	-
	<b>Net cash used in investing activities</b>	<b>5,18,616</b>	<b>-29,000</b>
(iii)	Cash flows from financing activities		
	Interest paid	-18,735	-40,010
	<b>Net cash used in financing activities</b>	<b>-18,735</b>	<b>-40,010</b>
	Net Increase/ (decrease) in cash and cash equivalents	76,95,102	11,66,667
	Cash and cash equivalents at beginning the year	27,66,557	15,99,890
	<b>Cash and cash equivalents at end of the year</b>	<b>104,61,659</b>	<b>27,66,558</b>
	<b>Cash and Cash Equivalents</b>		
	Balance in bank	104,60,403	27,64,797
	Cash in Hand	1,256	1,761
	<b>Cash and cash equivalents at end of the year</b>	<b>104,61,659</b>	<b>27,66,558</b>

For Narayanan Patil & Ramesh  
Chartered Accountants  
Firm Registration No. 0023955


  
L R Narayanan  
Partner  
Membership No: 200/25588



For KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED



N Ravi Vishwanath  
Director  
DIN: 07332234



Ashok Kumar Nedurumalli  
Director  
DIN: 00151814

Place: Bangalore  
Date: May 17, 2017

Place: Bangalore  
Date: May 17, 2017



## Keystone Business Solutions Private Limited.

### Significant Accounting Policies and Additional Notes forming part of financial statements

#### 1 Statement of Significant accounting policies

##### 1.1 Basis for Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Accounting policies adopted during the year, in preparation of these financial statements are consistent with that of the previous year.

##### 1.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent liabilities at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

##### 1.3 Fixed assets and capital work-in-progress

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost represents purchase price and includes other costs incurred in bringing the fixed assets to its present location and condition. Intangible assets will be recorded at the consideration paid for acquisition.

##### 1.4 Depreciation

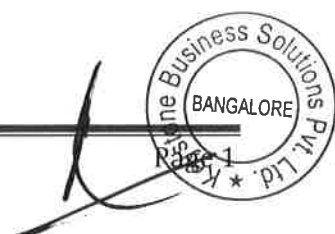
Depreciation on fixed assets is provided on the Written down Value as per the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013. Pro rata depreciation is provided on all fixed assets purchased/ sold during the year. Depreciation on the additions has been computed from the date the asset is put to use. The following has been adopted as the life of assets as provided under Schedule II to the Companies Act, 2013:

Sl. no	Asset	Estimated Useful Life
1.	Computers	3 years
2.	Office Equipment	5 years
3.	Furniture and Fixtures	10 years
4.	Motor Vehicles	8 years
5.	Software(Other than HRIS)	3 years
6.	Software (HRIS)	5 years

Note: 5% of the total cost of the asset has been considered as scrap value for the purpose of computation of depreciation.



Q/N



### **1.5 Retirement benefits:**

- The Company's gratuity scheme (the "Gratuity Plan") is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the projected unit credit method) at the end of year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.
- 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 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.
- Contribution to Provident Fund and Family Pension Fund will be provided for and payments in respect thereof are made to the relevant authorities on actual basis for all eligible employees. The company will have no further obligations under this plan beyond its monthly contributions.

### **1.6 Revenue recognition**

- Revenues from Software and ITES (Information Technology Enabled Services) are recognized on delivery of services, based on the terms of the contract entered into by the Company with the clients.
- Revenue from Dividend Income is recognized when the right to receive dividend is established.
- Revenue from Interest Income is recognized time proportion basis taking into account the amount outstanding and the rate applicable.
- Unbilled revenue represents amount for which services have been rendered in accordance with the terms of the agreement and not invoiced as at the balance sheet date.

### **1.7 Expenditure**

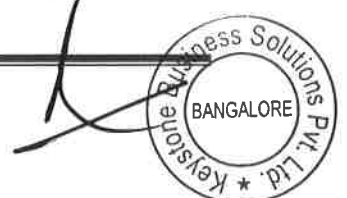
Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

### **1.8 Foreign exchange transactions**

- Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the respective transactions. Exchange differences arising on foreign exchange



Q/W



## Keystone Business Solutions Private Limited.

transactions settled during the year are recognised in the profit and loss account for the year.

- Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.
- Non-monetary items which are carried in terms of historical cost denomination in a foreign currency are reported using the exchange rate at the date of the transaction.
- The Company does not enter into foreign exchange forward contracts to limit the effect of exchange rate changes on its foreign currency receivables.

### 1.9 Taxation

- Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).
- Corporate Tax is charged on the taxable income at the rates prescribed by the Income Tax Act, 1961.
- Deferred tax charge or credit reflects the tax effects of timing difference between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in the future.

### 1.10 Earnings/ (loss) per share

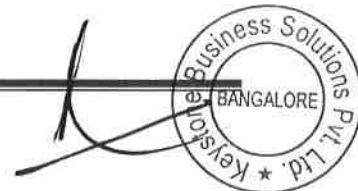
The earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares, if any.

### 1.11 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



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## Keystone Business Solutions Private Limited.

Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and value in use.
- b) In the case of cash generating units, at the higher of the unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

### 1.12 Provisions and contingencies

- The Company creates a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

### 1.13 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### 1.14 Events occurring after the date of Balance Sheet

Material events occurring after date of Balance Sheet are taken into cognizance.



## Keystone Business Solutions Private Limited.

### 2 Additional Notes forming integral part of accounts.

#### 2.1 Auditors' remuneration:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Statutory audit fees (including tax audit and related services)	1,50,000	90,000
<b>Total</b>	<b>1,50,000</b>	<b>90,000</b>

#### 2.2 Contingent Liabilities not provided for: NIL

#### 2.3 Deferred Taxation:

During the current year, the company has recognized the effect of deferred tax asset on account of timing differences under Companies Act and Income Tax Act. The deferred tax asset included in the balance sheet comprises the following:

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Depreciation	(64,576)	(1,58,608)
Disallowance U/s 40(a)(ia) of IT Act, 1961	(16,862)	(9,630)
Disallowance U/s 43B of IT Act, 1961	(3,89,117)	(32,819)
<b>Deferred Tax Liability/(Asset)</b>	<b>(4,70,555)</b>	<b>(2,01,057)</b>

#### 2.4 Quantitative details:

The Company is engaged in the business of ITES (Information Technology Enabled Services) /manpower recruitment. Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required.

#### 2.5 Related Party Disclosures:

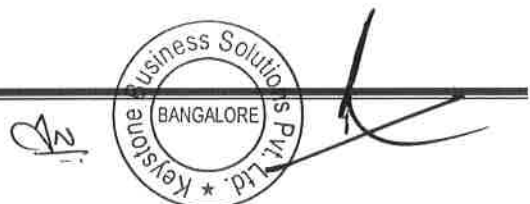
Holding Company: TeamLease Staffing Services Private Limited (w.e.f. February 01, 2017)

Ultimate Holding Company: TeamLease Services Limited (w.e.f. February 01, 2017)

As required under Accounting Standard 18, the following are the details of transaction during the year with the related parties of the company as defined in AS 18:

Party	Relationship	Remuneration
Mr. Srinivasa Govinda Rao	Director*	Rs. 9,80,742/-
Mr. Ashwin Krishna	Director*	Rs. 11,67,198/-
Mr. Raghavendra Pai	Director*	Rs. 4,00,859/-

\* Resigned w.e.f. February 01, 2017.





**Keystone Business Solutions Private Limited.**

Party	Relationship	Reimbursement of expenses
TeamLease Staffing Services Private Limited	Holding Company	Rs. 2,05,020/-

**2.6 Transaction during the year with parties where control does not exist.**

Particulars	Loan from Director- Srinivas Govinda	Loan from Director- Ashwin Krishna	Loan from Director- Ragavendra Pai
Opening balances	<b>2,77,100</b>	<b>19,03,586</b>	<b>4,82,614</b>
Add: Amount Received	5,49,159	66,825	3,40,603
Less: Amount paid during the year	8,26,259	19,70,411	8,23,217
Closing balances	-	-	-

**2.7 Earnings Per Share**

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016.
Net profit for the year	1,57,22,256	32,40,417
Weighted Average Number of Shares	42,627	42,627
<b>Basic Earnings per Share</b>	<b>368.83</b>	<b>76.02</b>
<b>Diluted Earnings per Share</b>	<b>368.83</b>	<b>76.02</b>

**2.8 Dues to medium and small enterprises**

As per the information available with the company, the principal amount payable to Micro, Small and Medium Enterprises falling under the provisions of Micro, Small and Medium Enterprises Development Act, 2006, is Nil.

**2.9 Earnings in Foreign Currency: Rs. 2,65,630/-**

**2.10 Expenditure in Foreign Currency: Nil**

**2.11 Value of imports calculated on CIF basis: Nil**

**2.12 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016**

(Amount in Rs.)

Particulars	SBNs	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	-	6,232	<b>6,232</b>
Permitted receipts	-	42,000	<b>42,000</b>
Permitted payments	-	43,176	<b>43,176</b>
Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	-	<b>5,056</b>	<b>5,056</b>



**Keystone Business Solutions Private Limited.**

**2.13** The shares of the company were transferred by the promoters to M/s TeamLease Staffing Services Private Limited during the year, on account of which, the company is a wholly owned subsidiary of M/s TeamLease Staffing Services Private Limited as at the date of the balance sheet with its ultimate holding company being TeamLease Services Limited.

**2.14** Previous year figures have been regrouped and reclassified wherever necessary as required.

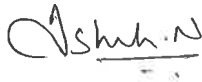
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**For Keystone Business Solutions Private Limited**



**N Ravi Vishwanath**  
Director  
DIN: 02888639

Place: Bangalore  
Date: May 17, 2017



**Ashok Kumar Nedurumalli**  
Director  
DIN: 00526581



**For Narayanan, Patil & Ramesh**

**Chartered Accountants**  
Firm Regn No: 0023955



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

Place: Bangalore  
Date: May 17, 2017



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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

**NOTES FORMING PART OF BALANCE SHEET**

3	Share capital	As at 31 March 2017	As at 31 March 2016
	<b>Authorized share capital</b> 1,00,000 (Previous year: 1,00,000) equity shares of par value of Rs 10/- each	10,00,000	10,00,000
		<b>10,00,000</b>	<b>10,00,000</b>
	<b>Issued, subscribed and paid-up share capital</b> 42,627 equity shares of par value of Rs 10/- each, fully paid up	4,26,270	4,26,270
		<b>4,26,270</b>	<b>4,26,270</b>

(a)	The reconciliation of number of shares outstanding and the amount of share capital is set out below:	As at 31 March 2017	As at 31 March 2016
	<b>Particulars</b>		
	Number of shares at the beginning	42627	42627
	Add: Shares issued during the year	-	-
	Number of shares at the end	<b>42,627</b>	<b>42,627</b>

(b)	Disclosure of number of shares held	As at 31 March 2017	As at 31 March 2016
	<b>Particulars</b>		
	TeamLease Staffing Services Private Limited* (including its nominee)	426270	-
	Mr. Ashwin Krishna	-	1,60,960
	Mr. Adarsh Holavanahalli	-	76,730
	Mr Srinivas Govind Rao	-	1,05,180
	Mr.Prasanna G	-	24,400
	Mr.Ragavendra Pai	-	59,000
		<b>4,26,270</b>	<b>4,26,270</b>

(c)	Details of shareholders holding more than 5% shares in the Company:	As at 31 March 2017	As at 31 March 2016
	<b>Particulars</b>		
	TeamLease Staffing Services Private Limited* (including its nominee)	42627	-
	Mr. Ashwin Krishna	-	16,096
	Mr. Adarsh Holavanahalli	-	7,673
	Mr. Srinivas Govind Rao	-	10,518
	Mr.Prasanna G	-	2,440
	Mr.Ragavendra Pai	-	5,900
		<b>42,627</b>	<b>42,627</b>

\* Holding company w.e.f. February 01, 2017.

(d) TeamLease Services Limited is the ultimate holding company w.e.f. February 01, 2017.

4	Reserves and surplus	As at 31 March 2017	As at 31 March 2016
	<b>Securities Premium</b>		
	Opening balance	61,04,900	61,04,900
	Add/(Less): Received on issue of shares	-	-
		61,04,900	61,04,900
	<b>Surplus/Deficit in the Statement of Profit and Loss</b>		
	Opening balance	(19,15,593)	(51,56,010)
	Add: Transferred from Statement of profit and loss	157,22,256	32,40,417
		138,06,663	(19,15,593)
	<b>Total</b>	<b>199,11,563</b>	<b>41,89,307</b>

5	Long-term borrowings	As at 31 March 2017	As at 31 March 2016
	<b>Term Loans from Bank:</b>		
	Secured, considered good (Secured against Hypothecation of car)	-	2,50,265
	Loans and advances from Directors	-	26,63,300
	<b>Total</b>	<b>-</b>	<b>29,13,565</b>



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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

**NOTES FORMING PART OF BALANCE SHEET**

<b>6</b>	<b>Long term provisions</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Earned Leave*	1,38,442	90,902
	Gratuity*	8,49,791	3,83,098
	Provision for Income Tax for AY 16-17	8,29,318	8,29,318
	<b>Total</b>	<b>18,17,551</b>	<b>13,03,318</b>

\* As per actuarial valuation reports as of 31.03.2017.

<b>7</b>	<b>Trade payables</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Due to Micro Small and Medium Enterprises	-	-
	Others	1,52,295	1,93,820
	<b>Total</b>	<b>1,52,295</b>	<b>1,93,820</b>

<b>8</b>	<b>Other current liabilities</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Salary payable	37,67,954	21,35,568
	Statutory liabilities	8,31,268	24,59,018
	Other Payables	43,665	-
	<b>Total</b>	<b>46,42,887</b>	<b>45,94,586</b>

<b>9</b>	<b>Short term provisions</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Earned Leave*	13,376	-
	Gratuity*	3,886	-
	Provision for Expenses	7,84,316	3,05,795
	Provision for Income Tax for AY 17-18	81,33,509	-
	<b>Total</b>	<b>89,35,087</b>	<b>3,05,795</b>

\* As per actuarial valuation reports as of 31.03.2017.

<b>11</b>	<b>Non current Investments</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Keystone Healthcare Technologies Pvt Ltd 9999 Shares of Rs.10/- each fully paid up	-	99,990
	<b>Total</b>	<b>-</b>	<b>99,990</b>

<b>13</b>	<b>Long term loans and advances</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Rental Deposit	3,33,972	5,00,000
	TDS Receivables	42,99,820	2,16,034
	<b>Total</b>	<b>46,33,792</b>	<b>7,16,034</b>

<b>14</b>	<b>Trade receivables</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	<b>Outstanding for a period exceeding 6 months from the date they are due for payment</b>		
	- Unsecured, considered good	-	-
	<b>Outstanding for a period less than 6 months from the date they are due for payment.</b>		
	- Unsecured, considered good	127,76,715	56,43,148
		127,76,715	56,43,148
	Less: Provision for short term trade receivables	-	-
	<b>Total</b>	<b>127,76,715</b>	<b>56,43,148</b>

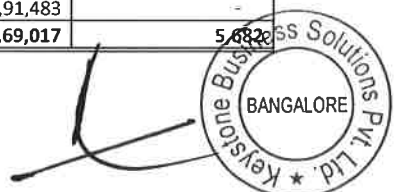
<b>15</b>	<b>Cash and cash equivalents</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Balances with banks		
	- In Current Accounts	104,60,403	27,64,797
	Cash on hand	1,256	1,761
	<b>Total</b>	<b>104,61,659</b>	<b>27,66,558</b>

<b>16</b>	<b>Short-term Loans and advances</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	TDS Receivables	71,26,123	42,99,820
	<b>Total</b>	<b>71,26,123</b>	<b>42,99,820</b>

<b>17</b>	<b>Other Current Assets</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	Prepaid Expenses	1,77,534	5,682
	Receivable for sale of Assets	1,91,483	-
	<b>Total</b>	<b>3,69,017</b>	<b>5,682</b>



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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

**Note -10 - Fixed Assets**

Amounts in Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2016	Additions	Deletions	As at 01.04.2016	For the year	Deletions	As at 31.03.2017	As at 31.03.2017
<b>Tangible Assets</b>								
Computer equipments	8,27,573	9,812	8,37,385	8,23,437	8,563	8,32,000	-	4,136
Furniture and fittings	1,97,432	1,00,000	2,97,432	1,43,638	28,585	1,72,223	-	53,794
Motor Vehicle	9,28,045	-	9,28,045	6,62,750	73,813	7,36,563	-	2,65,295
Office equipments	4,56,730	35,998	4,85,229	3,97,745	30,080	4,27,630	194	58,985
<b>Intangible Assets</b>								
Computer Software	42,500	-	42,500	14,303	14,930	29,234	-	28,197
HRIS	-	40,538	-	-	50	-	50	40,488
<b>Total</b>	<b>24,52,280</b>	<b>1,86,348</b>	<b>25,90,591</b>	<b>20,41,873</b>	<b>1,56,021</b>	<b>21,97,650</b>	<b>244</b>	<b>4,10,407</b>
<b>PY Figures</b>	<b>24,23,280</b>	<b>29,000</b>	<b>-</b>	<b>17,70,778</b>	<b>2,71,096</b>	<b>-</b>	<b>20,41,873</b>	<b>6,52,502</b>

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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

**Note - 12 - Deferred Tax**

**Computation of Deferred Tax for the year 2016-17 (Upto 31.3.17)**

Particulars	Companies Act	Income tax Act	Difference
WDV of fixed assets	47,793	2,43,104	1,95,311
Disallowed u/s 40 (a) (ia):	-	51,000	51,000
Gratuity and Leave Encashment disallowed u/s 43B		10,05,495	10,05,495
Bonus not paid during the year		1,71,402	1,71,402
Loss as per Income Tax c/f			-
<b>Total timing difference</b>	<b>47,793</b>	<b>14,71,001</b>	<b>14,23,208</b>
<b>Deffered Tax (Liability)/ Asset (@33.063%)</b>			<b>4,70,555</b>
Deffered Tax Liability/(Asset) As on 31-03-2016			2,01,057
<b>Effect to P&amp;L</b>			<b>2,69,498</b>



**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

18	Income from Services	For the year ended 31.03.2017	For the year ended 31.03.2016
	Domestic Sales	786,06,737	260,31,938
	Export Sales	2,65,630	4,45,719
	<b>Total</b>	<b>788,72,367</b>	<b>264,77,657</b>

19	Other income	For the year ended 31.03.2017	For the year ended 31.03.2016
	Other Income	2,18,306	2,79,730
	<b>Total</b>	<b>2,18,306</b>	<b>2,79,730</b>

20	Employee Benefit Expenses	For the year ended 31.03.2017	For the year ended 31.03.2016
	Salaries , Bonus & Allowances	454,31,255	179,20,264
	Contribution to P.F, ESI, Payroll Penalty	17,79,517	6,17,675
	Staff Welfare	2,14,608	2,18,161
	<b>Total</b>	<b>474,25,380</b>	<b>187,56,100</b>

21	Finance Cost	For the year ended 31.03.2017	For the year ended 31.03.2016
	Interest on car loan	18,735	40,010
	<b>Total</b>	<b>18,735</b>	<b>40,010</b>

10	Depreciation and Amortization	For the year ended 31.03.2017	For the year ended 31.03.2016
	Depreciation and Amortization	1,56,021	2,71,096
	<b>Total</b>	<b>1,56,021</b>	<b>2,71,096</b>

22	Other Expenses	For the year ended 31.03.2017	For the year ended 31.03.2016
	Rent	7,87,709	9,69,320
	Forex Loss	12,294	-
	Power and Fuel	1,01,221	1,07,038
	Travelling expenses	21,69,712	6,16,762
	Professional Charges	31,89,958	6,70,440
	Audit Fees	1,50,000	90,000
	Office expenses	1,46,950	5,75,678
	Rates & Taxes	1,81,062	1,68,057
	Repairs & Maintenance Charges	87,701	85,583
	Vehicle Maintenance & Insurance	28,382	52,648
	Bad debts	67,295	-
	Communication Expenses	1,35,006	1,30,682
	Miscellaneous Expenses	62,001	27,332
	Service Tax Input written off	7,33,975	-
	Prior Period Expenses	51,004	1,50,993
	<b>Total</b>	<b>79,04,269</b>	<b>36,44,532</b>



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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED**

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

**23 a) EMPLOYEE BENEFITS - GRATUITY (Unfunded)**

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

Disclosure relating to actuarial valuation of Gratuity:

	As at March 31, 2017
<b>I. Assumptions</b>	
Discount Rate	7.50% p.a.
Expected Return On Plan Assets	N.A.
	Indian Assured
Mortality	Lives Mortality (2006-08)
	Ultimate
Future Salary Increases	6% p.a.
Attrition	8% p.a.
Retirement	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>	
Present Value Of obligation at the beginning of the year	-
Adjustment to present value	-
Interest Cost	-
Current Service Cost	8,53,677
Past Service Cost	-
Benefits Paid	-
Transfer In	-
Actuarial (gain)/loss on Obligation	-
<b>Present Value Of obligation at the end of the year</b>	<b>8,53,677</b>
<b>III. Change in Fair Value Plan Assets:</b>	
Fair value of plan Assets beginning of the year	NA
Expected Return On plan assets	NA
Contributions	NA
Benefits Paid	NA
Actuarial gain/(loss) on Plan Assets	NA
Fair value of plan Assets at the end of the year	NA
<b>IV. Actuarial gain/(loss) recognized</b>	<b>-</b>
<b>V. Balance Sheet Recognition</b>	
Present Value Of Obligation	8,53,677
Fair Value Of Plan Assets	NA
Liability (assets)	8,53,677
Unrecognised Past Service Cost	-
<b>Liability (asset) recognised in the Balance Sheet</b>	<b>8,53,677</b>
<b>VI. Expenses Recognition</b>	
Current Service Cost	8,53,677
Interest Cost	-
Expected Return On plan assets	NA
Net Actuarial (gain)/loss recognised in the year	-
Past Service Cost	-
<b>Expenses Recognised in the statement of Profit and Loss</b>	<b>8,53,677</b>
<b>VII. Movements in the liability recognised in Balance Sheet</b>	
Opening net Liability	-
Adjustment to Present Value	-
Expenses	8,53,677
Benefits Paid	-
Transfer In	-
<b>Closing Net Liability</b>	<b>8,53,677</b>
<b>VIII. Current and Non-Current Liability</b>	
Current	3,886
Non-current	8,49,791
<b>IX. Experience adjustment</b>	
Experience adjustment on Present value of obligation - Loss/(Gain)	-
Experience adjustment on fair value of Plan assets - Gain/(Loss)	-
<b>Total experience adjustment</b>	<b>-</b>

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

Particulars	March 31 2017	March 31 2016
	Rupees	Rupees
Employers contribution to Provident Fund	14,28,132	5,33,537
Employees State Insurance Corporation	1,87,060	21,315
Provident Fund Administrative charges	1,63,065	62,427
<b>Total</b>	<b>17,78,257</b>	<b>6,17,279</b>



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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED.**

**Sub-Schedules forming part of Balance Sheet**

Sch. Ref No	Particulars	For the year ended 31.1.2017	For the year ended 31.3.2016
----------------	-------------	---------------------------------	---------------------------------

<b>Subschedule to Note No: 5</b>			
5.1	<b>Loans and Advances from Directors</b>		
	Ashwin Krishna	-	19,03,586.25
	Raghavendra Pai	-	4,82,614.15
	Srinivasa Govinda Rao	-	2,77,099.79
	<b>Total</b>	-	26,63,300.19

<b>Subschedule to Note No: 7</b>			
7.1	<b>Trade payable</b>		
	Bennett Technologies Pvt Ltd	37,013	-
	Sahana Tours and Travels	9,715	-
	Ragesh M R	28,800	-
	EHR Statute Point	-	15,300
	Ksheeraja Kannan	76,767	-
	Jayathirthy	-	71,820
	Raghu	-	50,000
	Suman Nagshetty Patil	-	11,700
	Vipin U N	-	45,000
	<b>Total</b>	<b>1,52,295</b>	<b>1,93,820</b>

<b>Subschedule to Note No: 8</b>			
8.1	<b>Statutory liabilities</b>		
	Service tax with SBC	2,01,630	20,66,333
	Interest on Service tax payable	1,46,309	1,46,309
	TDS Payable	1,39,435	86,867
	PT Payable	18,400	7,200
	PF Payable	2,83,488	1,47,393
	ESI Payable	42,006	4,916
	<b>Total</b>	<b>8,31,268</b>	<b>24,59,018</b>





Subschedule to Note No: 8			
8.1.1	<b>Service Tax Liability</b>		
	Edu.Cess @ 2%	-	13,522.86
	Sec.Edu.Cess @ 1%	-	6,793.63
	Service Tax @ 12%	-	8,72,183.00
	Service Tax @ 14%	(21,628)	13,51,603
	Service Tax-Collected	1,59,327	1,59,327
	Service Tax Control	81,486	81,486
	Swacch Bharat Cess @ 0.5%	(11,284)	47,392
	Krishi Kalyan Cess @ 0.5%	(5,230)	-
	ST Payable on RCM basis	583	-
	Input Service Tax	-	(4,07,947)
	Input KKC 0.5%	(1,623)	-
	Service Tax (75% Borne by SR)	-	(58,027)
	<b>Total</b>	<b>2,01,630</b>	<b>20,66,333</b>

Subschedule to Note No: 8			
8.1.2	<b>TDS</b>		
	Tds-Contract	3,600.00	1,800.00
	Tds-Professional	18,130	16,830
	Tds-Salary	1,17,705	68,237
	<b>Total</b>	<b>1,39,435</b>	<b>86,867</b>

Subschedule to Note No: 8			
8.2	<b>Salary payable</b>		
	Staff Salary Payable	37,67,954	-
	<b>Total</b>	<b>37,67,954</b>	

Subschedule to Note No: 8			
8.3	<b>Other payables</b>		
	Mirage Designers & Printers	2,490	-
	EHR Statute Point	41,175	-
	<b>Total</b>	<b>43,665</b>	

Subschedule to Note No: 9			
9.1	<b>Short Term Provisions</b>		
	Audit fees Payable	1,50,000	90,000
	Telephone Expenses Payable	4,005	1,799
	Employee Expenses Payable	-	95,255
	Expenses Payable - Provision for Rent, Payroll etc	4,37,338	1,18,741
	Parking Payable	-	-
	Staff Bonus Payable	1,92,973	-
	<b>Total</b>	<b>7,84,316</b>	<b>3,05,795</b>


Subschedule to Note No: 13		
13.10	Rental Deposit	
	K N Seshadri	-
	Md.Musa Sait Wakf	3,33,972
	<b>Total</b>	<b>3,33,972</b>
		5,00,000
		-
		<b>5,00,000</b>

Subschedule to Note No: 13		
13.2	TDS Receivables	
	TDS-Cable & Wireless	18,200
	TDS-GBM Qatar (Withholding Tax)	1,28,052
	TDS-Infor Global	4,501
	TDS-Infrasoft	8,312
	TDS-Logica	20,406
	TDS-Mercedez	40,83,785
	TDS-Mportal	2,527
	TDS-SLK Software	34,037
	<b>Total</b>	<b>42,99,820</b>
		18,200
		1,28,052
		4,501
		8,312
		20,406
		-
		2,527
		34,037
		<b>2,16,034</b>

Subschedule to Note No: 14		
14.1	Trade Receivable:	
	Unsecured & Outstanding For Less Than Six Months:	
	Mercedez Benz	106,56,386
	Mercedez Benz (SEZ Unit)	15,07,857
	Umbical Technologies Private Limited	3,59,135
	TUV Rheinland L.L.C.	2,53,337
	Zenith Talent Corporation	-
	<b>Total</b>	<b>127,76,715</b>
		54,91,614
		-
		-
		-
		1,51,534
		<b>56,43,148</b>

Subschedule to Note No: 15		
15.1	Cash and Cash Equivalents	
	Cash Balance in Hand	1,256
	Balances with banks	
	Bank of India A/c - 849420110000328	-
	HDFC Bank -1018	104,60,403
	Sub total	<b>104,60,403</b>
	<b>Total</b>	<b>104,61,659</b>
		1,761
		5,23,878
		22,40,919
		<b>27,64,797</b>
		<b>27,66,558</b>

Subschedule to Note No: 16		
16.1	TDS Receivables	
	TDS-Mercedez	63,48,721
	TDS - Mercedez (SEZ)	7,64,374
	TDS Receivable - Commvault	13,028
	<b>Total</b>	<b>71,26,123</b>
		40,83,785
		-
		-
		<b>40,83,785</b>

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**KEYSTONE BUSINESS SOLUTIONS PRIVATE LIMITED.**

**Sub-Schedules forming part of Statement of Profit and Loss**

<b>Subschedule to Note No: 19</b>			
<b>19.1</b>	<b>Other income</b>		
	Miscellaneous Income	6,273	1,26,494
	Profit on Sale of Investments	1,79,982	-
	Profit on Sale of Fixed Assets	32,051	-
	KHT payable reversal	-	1,53,236
	<b>Total</b>	<b>2,18,306</b>	<b>2,79,730</b>

<b>Subschedule to Note No: 20</b>			
<b>20.1</b>	<b>Salaries , Bonus &amp; Allowances</b>		
	Salaries	406,02,308	149,46,459
	Notice Pay	26,000	-
	Incentive on performance	6,59,226	1,18,088
	Employee referral bonus	40,000	25,000
	Leave encashment	1,46,323	33,000
	Staff Bonus	1,96,952	-
	Directors Salary	28,16,632	27,08,717
	Employee Hire Charges	1,37,466	
	Gratuity	8,06,348	89,000
	<b>Total</b>	<b>454,31,255</b>	<b>179,20,264</b>

<b>Subschedule to Note No: 20</b>			
<b>20.2</b>	<b>Contribution to P.F, ESI, Payroll Penalty</b>		
	Admin charges PF	1,63,065	62,427
	Company contribution ESI	1,87,060	21,315
	Company Contribution-LWF	1,260	396
	Company contribution PF	14,28,132	5,33,537
	<b>Total</b>	<b>17,79,517</b>	<b>6,17,675</b>

<b>Subschedule to Note No: 20</b>			
<b>20.3</b>	<b>Staff welfare</b>		
	Staff Welfare Expenses	53,192	35,256
	Food & refreshment Expenses	1,61,416	1,82,905
	<b>Total</b>	<b>2,14,608</b>	<b>2,18,161</b>

<b>Subschedule to Note No: 22</b>			
<b>22.1</b>	<b>Rent others</b>		
	Rent-Computers	-	7695
	Rent-Car Parking	21,000	-
	Rent Office - Md.Musa Sait Wakf	3,29,280	-
	Rent Office - Sarala Seshadri	3,56,535	-
	Rent Office-KN Seshadri	80,894	9,61,625
	<b>Total</b>	<b>7,87,709</b>	<b>9,69,320</b>

<b>Subschedule to Note No: 22</b>			
<b>22.2</b>	<b>Power and fuel</b>		
	Electricity Expenses	63,121	-
	Fuel Expenses	500	-
	Fuel Reimbursement	37,600	1,07,038
	<b>Total</b>	<b>1,01,221</b>	<b>1,07,038</b>

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Subschedule to Note No: 22			
22.3	<b>Travelling expenses</b>		
	Travelling Expenses	29,331	77,794
	Boarding & lodging Expenses	6,822	10,744
	Conveyance Allowances/Shift Reimbursement	21,33,559	5,28,224
	<b>Total</b>	<b>21,69,712</b>	<b>6,16,762</b>

Subschedule to Note No: 22			
22.4	<b>Professional Charges</b>		
	Professional Charges	19,56,000	1,20,500
	Payroll Processing Charges	1,15,000	1,18,250
	Consultancy Fees	11,18,958	5,49,940
	<b>Total</b>	<b>31,89,958</b>	<b>7,88,690</b>

Subschedule to Note No: 22			
22.5	<b>Office expenses</b>		
	Office Maintenace	26,305	4,890
	Office expenses	29,382	-
	Postage and courier	6,325	6,464
	Printing and Stationery	63,709	34,368
	Reimbursement of expenses/ out of pocket	5,118	12,000
	Website Charges	10,183	3,37,629
	Tally Service Charges	5,928	5,100
	Credit Card charges	-	56,977
	<b>Total</b>	<b>1,46,950</b>	

Subschedule to Note No: 22			
22.6	<b>Rates &amp; Taxes</b>		
	Interest-TDS	13,536	2,485
	Professional tax annual fee & statutory expenses	51,275	23,006
	SBC & Service tax paid on RCM basis	16,559	-
	Registration, renewal & stamp charges	99,692	1,38,112
	Interest on Service Tax	-	4,454
	<b>Total</b>	<b>1,81,062</b>	<b>1,68,057</b>

Subschedule to Note No: 22			
22.7	<b>Communication expenses</b>		
	Internet /3G Expenses	9,096	17,125
	Telephone Expenses	24,931	22,562
	Mobile expenses	54,858	47,073
	Mobile Reimbursement	2,100	-
	Broadband Charges	44,021	43,922
	<b>Total</b>	<b>1,35,006</b>	<b>1,30,682</b>

Subschedule to Note No: 22			
22.8	<b>Miscellaneous Expenses</b>		
	DG Hire charges	-	10550
	Miscellaneous Expenses	1,465	5,450
	Bank charges	9,087	9,341
	Local Conveyance	-	2,000
	Books & Periodicals	605	-
	Network Solution Charges	3,830	-
	Piperive Charges	8,855	-
	Pooja Expenses	18,525	-
	Survey Charges	3,750	-
	Advertising Expenses	15,925	-
	Rounding Off	(42)	(9)
	<b>Total</b>	<b>62,001</b>	<b>27,332</b>



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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF Nichepro Technologies Private Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NICHEPRO TECHNOLOGIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, , read with Rule 7 of the Companies ( Accounts ) Rules, 2014.

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

#### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its loss and its cash flows for the year ended on that date.

## 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of its Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 does not have any pending litigations as on 31<sup>st</sup> March 2017;
- 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.
- iv) The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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 : 17<sup>th</sup> May 2017



## **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 NICHEPRO TECHNOLOGIES PRIVATE LIMITED ("the Company") as of March 31, 2017 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, 2017, 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 : 17<sup>th</sup> May 2017

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 (three) years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3 (i) (c) of the Order is not applicable.
- (ii) As explained to us, the company does not hold any inventories, accordingly reporting under paragraph 3 (ii) of the order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans nor made investments or given guarantees and security during the year.
- (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.
- (vi) Having regard to the nature of the Company's business / activities, reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.



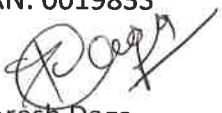
- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes
- (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, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (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 financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

  
Paresh Daga  
Partner  
M.No. 211468  
Place: Bangalore



Date : 17<sup>th</sup> May 2017

Nichepro Technologies Private Limited

Balance Sheet as at 31 March, 2017

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	3	688,92,100	1497,36,800
	(b) Reserves and surplus	4	(4,47,424)	(742,48,523)
			684,44,676	754,88,277
2	Non-current liabilities			
	(a) Long-term borrowings	5.1	-	26,43,292
	(b) Long-term provisions	5.2	51,76,975	-
			51,76,975	26,43,292
3	Current liabilities			
	(a) Short-term borrowings	6.1	1109,91,444	1030,92,802
	(b) Trade payables	6.2	6,84,620	50,32,314
	- Total outstanding dues of creditors other than micro enterprises and small enterprises			
	(c) Other current liabilities	6.3	109,84,367	515,41,555
	(d) Short-term provisions	6.4	5,94,211	8,87,569
			1232,54,642	1605,54,240
	<b>TOTAL</b>		<b>1968,76,293</b>	<b>2386,85,809</b>
<b>B</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	7.1	10,82,165	40,15,892
	(ii) Intangible assets	7.2	55,487	32,34,644
	(b) Deferred Tax Asset	8.1	605,34,907	30,69,043
	(c) Other Non Current Assets	8.2	10,04,176	4,72,801
			626,76,735	107,92,380
2	Current assets			
	(a) Trade receivables	9.1	234,52,766	849,54,081
	(b) Cash and Bank Balances	9.2	179,57,450	813,00,373
	(c) Short-term loans and advances	9.3	709,28,237	511,68,354
	(d) Other current assets	9.4	218,61,105	104,70,621
			1341,99,558	2278,93,429
	<b>TOTAL</b>		<b>1968,76,293</b>	<b>2386,85,809</b>

Significant Accounting Policies

2

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

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

For Manian & Rao

Firm Registration Number: 001983S

Chartered Accountants

Paresh Daga

Partner

Membership No: 211468

Place : Bengaluru

Date : May 17, 2017



For and on behalf of the Board of Directors

N. Ravi Vishwanath

Director

DIN: 07332234

Ashok Kumar Nedurumalli

Director

DIN: 00151814



## Statement of Profit and Loss for the year ended March 31, 2017

Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>Revenue</b>				
1	Revenue from operations (Gross)		2555,90,428	3068,12,670
	Less: Service Tax		264,81,987	334,70,063
	Revenue from operations (Net)	10	2291,08,441	2733,42,607
2	Other income	11	32,53,931	71,48,368
3	Total revenue (1+2)		<b>2323,62,372</b>	<b>2804,90,975</b>
<b>Expenses</b>				
	(a) Employee benefits expense	12	1777,24,406	2110,00,729
	(b) Finance costs	13	140,37,430	295,52,517
	(c) Depreciation and amortisation expense	14	20,37,827	270,35,793
	(d) Other expenses	15	1280,47,173	1322,11,963
	<b>Total expenses</b>		<b>3218,46,836</b>	<b>3998,01,002</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(894,84,465)	(1193,10,027)
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>(894,84,465)</b>	<b>(1193,10,027)</b>
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>(894,84,465)</b>	<b>(1193,10,027)</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		-	-
	(b) Deferred tax		(574,65,864)	2,51,201
			<b>(574,65,864)</b>	<b>2,51,201</b>
11	<b>Profit / (Loss) for the year (9 + 10)</b>		<b>(320,18,601)</b>	<b>(1195,61,228)</b>
12	<b>Basic/Diluted Earnings Per Equity Share (Face value of Rs.10 each)</b>		(8.06)	(45.43)

## Significant Accounting Policies

2

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

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

For Manian &amp; Rao

Firm Registration Number: 001983S

Chartered Accountants

Paresh Daga

Partner

Membership No: 211468

Place : Bengaluru

Date : May 17, 2017

For and on behalf of the Board of Directors

N. Ravi Vishwanath

Director

DIN: 07332234

Ashok Kumar Nedurumalli

Director




DIN: 00151814





NICHEPRO TECHNOLOGIES PRIVATE LIMITED

Cash Flow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
<b>A. Cash flow from Operating Activities</b>				
Net Profit/(Loss) before tax		(894,84,465)		(1193,10,027)
<b>Add/(Less): Non-cash and Non-operating items</b>				
Depreciation / Amortisation on fixed assets		20,37,827		270,35,793
Provision for impairment of intangible assets		-		614,10,410
Interest Expense and Bank Charges		140,37,430		295,52,517
Interest Income		(10,13,623)		(62,09,184)
Unrealised exchange (gain)/loss on foreign currency		-		(9,39,184)
Liability no longer required written back		(11,18,863)		-
Provision for bad and doubtful debts		64,10,315		-
Bad Debts written off/advances written off		28,33,861		-
Provision for Gratuity		29,78,186		-
Provision for Leave Encashment		21,11,868		-
Loss On Sale of Fixed Assets		12,08,299		-
<b>Operating profit before working capital changes</b>		(599,99,165)		(84,59,675)
<b>Adjustments for Changes in Working capital</b>				
Increase/(Decrease) in Trade Payables	(32,28,831)		(49,30,485)	
Increase/(Decrease) in other Current Liabilities	(409,81,219)		186,90,666	
Increase/(Decrease) in Provisions	(2,06,437)		(15,00,035)	
(Increase)/Decrease in Trade Receivables	522,57,139		187,49,696	
(Increase)/Decrease in Other current assets	(113,83,031)		53,54,511	
(Increase)/Decrease in Short term Loans & Advances	(411,99,748)	(447,42,127)	42,63,718	406,28,072
<b>Operating profit after working capital changes</b>		(1047,41,292)		321,68,397
Income Tax Paid (Net of refunds)		214,32,411		(253,69,398)
<b>Net Cash Generated From / (Used in) Operating Activities (A)</b>		<b>(833,08,880)</b>		<b>67,98,999</b>
<b>B. Cash flow from Investing Activities</b>				
Purchase of Fixed Assets		(12,03,289)		(33,000)
Sale/(Purchase) Of Investments in fixed deposits		671,47,342		(721,12,734)
Sale Of Fixed Assets		40,70,047		-
Interest Income		10,13,623		62,09,184
<b>Net Cash Generated From/ (Used in) Investing Activities (B)</b>		<b>710,27,723</b>		<b>(659,36,550)</b>
<b>C. Cash flow from Financing Activities</b>				
Interest Paid		(140,37,430)		(295,52,517)
Proceeds /(Repayment) from/(of) borrowings (Net)		56,79,381		(399,84,394)
Proceeds from issue of equity shares during the year		249,75,000		-
Dividend paid (including tax on dividend)		-		(9,25,105)
<b>Net Cash Generated From / (Used in) Financing Activities (C)</b>		<b>166,16,951</b>		<b>(704,62,016)</b>
<b>Net (Decrease)/Increase In Cash &amp; Cash Equivalents(A+B+C)</b>		<b>43,35,794</b>		<b>(1295,99,567)</b>
<b>Cash and Cash Equivalents at the Beginning of the year</b>		<b>4,22,804</b>		<b>1300,22,371</b>
<b>Cash and Cash Equivalents at the End of the year</b>		<b>47,58,598</b>		<b>4,22,804</b>
<b>Cash and Cash equivalents comprises of:</b>				
Cash on hand		2,556		6,911
Balances with Banks in Current Accounts		47,56,042		4,15,893
<b>Cash and Cash Equivalents at the end of the year</b>		<b>47,58,598</b>		<b>4,22,804</b>
<b>Notes</b>				
1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".				
2 Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year classification.				
3 Figures in the bracket indicate cash outgo / income.				
This is the Cash Flow Statement referred to in our report of even date.				
<b>For Manian &amp; Rao</b> Firm Registration Number: 0019835 Chartered Accountants  Paresh Daga Partner Membership No: 211468  Place : Bangalore Date : May 17, 2017		<b>For Nichepro Technologies Private Limited</b>  N. Ravi Vishwanath Director DIN: 07332234	 Ashok Kumar Nedurumalli Director DIN: 00151814	

## NICHEPRO TECHNOLOGIES PRIVATE LIMITED

### Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

#### 1. General Information

Nichepro Technologies Private Limited ("the Company") was incorporated on June 25, 2008. The Company is primarily engaged in the business of information technology and consulting and product development and other allied activities. The entire shares of the Company was fully acquired by TeamLease Staffing Services Private Limited w.e.f October 01, 2016.

#### 2. Summary of significant accounting policies

##### i. Basis of preparation:

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

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

##### ii. Use of Estimates:

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

##### iii. Tangible Assets:

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

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

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act, 2013. The residual value is generally assumed as five percent of the original cost of the asset. The company has evaluated the useful lives for the following assets to be lower than as prescribed under Schedule II to the Companies Act, 2013:

Furniture & Fixture : 3 years



## NICHEPRO TECHNOLOGIES PRIVATE LIMITED

### Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

#### iv. Intangible Assets:

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

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

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

#### v. Borrowing Costs:

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

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

#### vi. Impairment of Assets:

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

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

#### vii. Foreign Currency Translation:

##### Initial Recognition :-

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

##### Subsequent Recognition :-

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.



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A handwritten signature in black ink, appearing to be "S. N."



**NICHEPRO TECHNOLOGIES PRIVATE LIMITED**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

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**viii. Revenue Recognition:**

- Revenue from Manpower services is accounted on accrual basis on performance of the service agreed in the Contract / Mandate Letter between the Company and its customer.
- Revenue from providing technical personnel for providing various IT enabled services are recognized on time basis i.e. no of man days /no of man hours working for the assignment/client.
- In respect of Business Process Services, revenue on time and material and unit priced contracts is recognized as the related services are rendered, whereas revenue from fixed price contracts is recognized using the proportionate completion method with contract cost determining the degree of completion.

**Other Income:**

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

- Net Revenue excludes Service Tax and other statutory levies.

**ix. Employee Benefits:**

**a) Provident Fund**

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

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

**b) Gratuity**

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

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

**c) Compensated absences**

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

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



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## NICHEPRO TECHNOLOGIES PRIVATE LIMITED

### Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

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#### x. Current and Deferred Tax:

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

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

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

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

#### xi. Provisions and Contingent Liabilities:

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

#### xii. Leases:

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

#### xiii. Segment Reporting

The Company operates only in one segment, hence segmental reporting is not applicable.

#### xiv. Cash and Cash Equivalents

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

#### xv. Earnings Per Share:

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

## Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

### Note 3 Share capital

The Authorised, issued, subscribed and Fully paid-up share capital comprises of equity shares having a par value of Rs 10 each.

	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares		Number of shares	
<b>3 Share Capital</b>				
<b>Authorised</b>				
Equity Shares of Rs. 10/- each with voting rights	149,73,680	1497,36,800	26,31,580	263,15,800
Optionally Convertible Cumulative Preference shares of Rs 100 each	-	-	12,34,210	1234,21,000
	<b>149,73,680</b>	<b>1497,36,800</b>	<b>38,65,790</b>	<b>1497,36,800</b>
<b>Issued, Subscribed and Paid-up</b>				
Equity Shares of Rs. 10/- each with voting rights	68,89,210	688,92,100	26,31,580	263,15,800
Optionally Convertible Cumulative Preference shares of Rs 100 each	-	-	12,34,210	1234,21,000
	<b>68,89,210</b>	<b>688,92,100</b>	<b>38,65,790</b>	<b>1497,36,800</b>

a. Reconciliation of the number of shares outstanding	As at 31 March, 2017		As at 31st March 2016	
	Number of shares		Number of shares	
<b>Equity shares</b>				
Number of equity shares at the beginning of the Year	26,31,580	263,15,800	26,31,580	263,15,800
Equity shares issued on conversion of OCCPS (Refer Note 1.f below)	37,02,630	370,26,300	-	-
Equity shares issued during the year (Refer Note 1.g below)	5,55,000	55,50,000	-	-
<b>Number of equity shares at the end of the Year</b>	<b>68,89,210</b>	<b>688,92,100</b>	<b>26,31,580</b>	<b>263,15,800</b>
<b>Optionally convertible cumulative preference shares of Rs 100 each</b>				
Number of Preference shares at the beginning of the Year	12,34,210	1234,21,000	12,34,210	1234,21,000
Preference shares converted into equity during the year	(12,34,210)	(1234,21,000)	-	-
	-	-	<b>12,34,210</b>	<b>1234,21,000</b>

b. Rights, Preferences and restrictions attached to shares
<b>Equity Shares</b>
The Company has only one class of equity shares having a face value of Rs10 per share. Each holder of the equity shares is entitled to one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.
<b>Preference shares</b>
Optionally Convertible Cumulative Preference shares(OCCPS) carried a fixed cumulative dividend of 12% per annum and eligible for higher rate in the event the dividend declared on ordinary equity shares exceeds 12%. If dividend is not paid in any particular year, the dividend shall accumulate and in the year in which dividends are declared by the company, all unpaid dividends will be first paid to OCCPS holders before disbursement of dividends to other share holders. During the year, all the OCCPS were converted into equity.

c. Details of shareholders holding more than 5% shares in the company					
Equity Shares					
SI No.	Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
1	TeamLease Staffing Services Private Limited (including its nominee)	68,89,210	100%	-	-
2	N. Satisha	-	-	1875000	71.25
3	Arundathi Satisha	-	-	625000	23.75
4	Canbank Venture Capital Fund Limited	-	-	131580	5.00
Optionally convertible cumulative preference shares					
SI No.	Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
1	Canbank Venture Capital Fund Limited	-	-	12,34,210	100.00

d. TeamLease Staffing Services Private Limited(TSSPL) is the holding company holding 100% of the share capital of the Company. One equity share is held by Mr. N Ravi Vishwanath as a nominee of TSSPL.

e. TeamLease Services Limited(TSL) is the ultimate holding company of the Company.

f. On 06th December 2016, the Company has converted 12,34,210 Optionally Convertible Cumulative Preference Shares of Rs. 100 each into 37,02,630 Equity Shares of Rs. 10 each. The Company has recognised share premium to the extent of Rs. 8,63,94,700/- on such conversion.

g. On 15th December 2016, the Company has allotted on rights basis 5,55,000 Equity Shares of Rs. 10 each to TeamLease Staffing Services Private Limited at a price of Rs. 45 per share (including premium of Rs. 35 per share) resulting into share premium of Rs. 1,94,25,500 on such issue.



## Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

## Note 4 Reserves and surplus

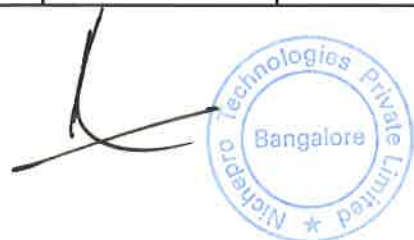
Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>(a) Securities premium account</b>		
Opening balance	52,63,200	52,63,200
Add : Premium on shares issued during the year	1058,19,700	-
Closing balance	1110,82,900	52,63,200
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(795,11,723)	400,49,505
Add: Profit / (Loss) for the year	(320,18,601)	(1195,61,228)
Closing balance	(1115,30,324)	(795,11,723)
<b>Total</b>	<b>(4,47,424)</b>	<b>(742,48,523)</b>

## Note 5 Non-Current Liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>5.1 Long-term borrowings</b>		
<b>Secured</b>		
Vehicle loan (secured against hypothecation of vehicle)	-	17,11,806
<b>Unsecured loans from Others</b>	-	9,31,486
	-	26,43,292
<b>5.2. Long-term Provisions</b>		
Provision for Employee Benefits:		
Provision for Gratuity	28,05,158	-
Provision for Leave Encashment	23,71,817	-
	51,76,975	-



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# Nichepro Technologies Private Limited

## Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Note 6 Current Liabilities		
Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>6.1. Short Term Borrowings</b>		
<b>Secured Loan</b>		
Canara Bank OD Ac*	109,91,444	559,72,617
Canara Bank Factor Account#	-	471,20,185
<b>Unsecured Loan</b>		
From TeamLease Staffing Services Private Limited, Holding Company	1000,00,000	-
<b>Total</b>	<b>1109,91,444</b>	<b>1030,92,802</b>
* Against hypothecation of book debts, lien of fixed deposits, collateral securities of directors and personal guarantee from the Directors		
#Prime Security- Assignment of Factored receivables and personal guarantee of the directors then.		
<b>6.2. Trade Payables</b>		
Dues to Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,84,620	50,32,314
<b>Total</b>	<b>6,84,620</b>	<b>50,32,314</b>
<b>6.3. Other Current Liabilities</b>		
Current maturities of Long-term borrowings	-	16,74,823
Interest due on unsecured loan	20,98,854	-
Advance received from Customers	20,44,299	8,05,825
Others:		
TDS and Interest thereon	14,32,303	221,53,234
Sundry Creditors for Expenses	12,63,853	13,75,890
Employee Benefits Payable	21,02,493	8,00,996
Service tax payable (including interest thereon)	12,98,051	190,41,583
Other Liabilities (including PF, PT, ESIC and KVAT)	7,44,515	13,76,866
Bank Current A/c ( Temporary Overdrawn)	-	43,12,339
<b>Total</b>	<b>109,84,367</b>	<b>515,41,555</b>
<b>6.4. Short-term Provisions</b>		
Provision for Employee Benefits:		
Provision for Gratuity	13,865	2,62,274
Provision for Leave Encashment	2,05,346	4,65,295
Audit Fees Payable	3,75,000	1,60,000
<b>Total</b>	<b>5,94,211</b>	<b>8,87,569</b>



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## Note 7 Fixed Assets

## 7.1 Tangible Assets

Particulars	Gross Block				Depreciation			Provision for Impairment	Net Block As at 31.03.2017	Net Block As at 31.03.2016
	As at 01.04.2016	Additions	Deletion/ adjustments	As at 31.03.2017	Up to 31.03.2016	For the year	Deletion/ adjustments			
Computer and accessories	154,58,487	-	133,81,886	20,76,601	135,99,555	5,88,642	121,46,897	20,41,300	35,301	18,58,932
Furniture & Fixtures	3,65,747	11,47,657	3,65,747	11,47,657	2,61,800	1,33,552	2,74,210	1,21,142	10,26,515	1,03,947
Electrical fittings	2,19,000	-	2,19,000	-	1,27,565	13,178	1,40,743	-	-	91,435
Vehicle	60,11,806	-	60,11,806	-	44,30,736	1,76,364	46,07,100	-	-	15,81,070
Office Equipments	45,10,820	-	43,93,040	1,17,780	41,30,312	1,04,447	41,37,328	97,431	20,349	3,80,508
<b>Total</b>	<b>265,65,860</b>	<b>11,47,657</b>	<b>243,71,479</b>	<b>33,42,038</b>	<b>225,49,968</b>	<b>10,16,183</b>	<b>213,06,278</b>	<b>22,59,873</b>	<b>10,82,165</b>	<b>40,15,892</b>
<b>Previous year</b>	<b>265,32,860</b>	<b>33,000</b>	<b>-</b>	<b>265,65,860</b>	<b>178,85,624</b>	<b>46,64,344</b>	<b>-</b>	<b>225,49,968</b>	<b>40,15,892</b>	<b>86,47,236</b>

## 7.2 Intangible Assets

Particulars	Gross Block			As at 31.03.2017	Up to 31.03.2016	For the year	Depreciation	As at 31.03.2017	Provision for Impairment	Net Block As at 31.03.2017	Net Block As at 31.03.2016
	As at 01.04.2016	Additions	Deletion/ adjustments								
Software and Licences	50,05,908	-	50,05,908	-	37,71,264	3,89,899	41,61,163	-	-	-	12,34,644
Software Development In house	1056,84,018	-	1056,84,018	-	422,73,608	6,31,600	429,05,208	-	-	-	20,00,000
HRIS Software	-	55,632	-	55,632	-	145	-	145	-	55,487	-
<b>Total</b>	<b>1106,89,926</b>	<b>55,632</b>	<b>1106,89,926</b>	<b>55,632</b>	<b>460,44,872</b>	<b>10,21,644</b>	<b>470,66,371</b>	<b>145</b>	<b>-</b>	<b>55,487</b>	<b>32,34,644</b>
<b>Previous Year</b>	<b>1106,89,926</b>	<b>-</b>	<b>-</b>	<b>1106,89,926</b>	<b>236,73,423</b>	<b>223,71,449</b>	<b>-</b>	<b>460,44,872</b>	<b>614,10,410</b>	<b>32,34,644</b>	<b>870,16,503</b>





Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Note 8 Non Current Assets		
Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>8.1 Deferred Tax Assets</b>		
Deferred Tax Asset:		
Provision for bad and doubtful debts	21,19,442	-
Difference between Book and Tax Depreciation	179,19,670	30,69,043
Unabsorbed depreciation losses@	234,36,017	-
Unabsorbed business losses@	152,75,637	-
Provision for employee benefits		
--Gratuity	9,32,054	-
--Leave Encashment	8,52,087	-
<b>Total</b>	<b>605,34,907</b>	<b>30,69,043</b>
@ As at the reporting date, the enterprise is virtually certain that sufficient future taxable income will be available against which the deferred tax asset will be realised. The business performance has improved post 01.10.2016 i.e. date of change in management and control. The Company has entered into perpetual contracts with most of the clients which have resulted in profits during the period from 01.10.2016 to 31.03.2017. The Company expects the performance to be better in the coming years and will be able to realise the deferred tax assets.		
Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>8.2 Other Non Current Assets</b>		
Fixed Deposit - Canara Bank(including interest accrued thereon)*	10,04,176	4,72,801
<b>Total</b>	<b>10,04,176</b>	<b>4,72,801</b>

\* The above fixed deposits are given as lien against obtaining bank guarantee facilities taken by the company.

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Note 9 Current Assets</b>		
<b>9.1. Trade Receivables</b>		
(Unsecured, considered good unless stated otherwise)		
Exceeding six months from the date they are due from payment		
Considered Good <sup>^</sup>	-	435,61,200
Considered Doubtful	64,10,315	-
Less: Provision for doubtful debts	(64,10,315)	-
Others		435,61,200
Considered Good	234,52,766	413,92,881
<b>Total</b>	<b>234,52,766</b>	<b>849,54,081</b>
<sup>^</sup> includes due from related parties - Rs. NIL (P.Y. Rs 3,71,96,630)		
<b>9.2. Cash and Bank balances</b>		
<b>(a) Cash And Cash equivalents</b>		
Balances with Banks:		
In Current accounts	47,56,042	4,15,893
Cash on Hand	2,556	6,911
	<b>47,58,598</b>	<b>4,22,804</b>
<b>(b) Other Bank Balances</b>		
In Fixed Deposit Accounts		
(maturity within 12 months from the date of acquisition)#	131,98,852	808,77,569
<b>Total</b>	<b>179,57,450</b>	<b>813,00,373</b>
<b>9.3. Short Term Loans and Advances</b>		
(Unsecured, considered good unless stated otherwise)		
Advances		
Considered Good	8,20,641	18,13,329
Tax Deducted at Source	693,10,905	478,78,493
Taxes and Duties paid in advance	-	3,00,532
Prepaid Expenses	7,96,691	11,76,000
<b>Total</b>	<b>709,28,237</b>	<b>511,68,354</b>
<b>9.4 Other Current Assets</b>		
Rental deposit	-	58,65,000
Unbilled Revenue	218,53,652	-
Other Advances	7,453	-
Telephone Deposit	-	2,54,433
Advances to entities in which Directors are Interested	-	43,51,188
<b>Total</b>	<b>218,61,105</b>	<b>104,70,621</b>

# The above fixed deposits are given as lien against working capital facilities taken by the company.



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NICHEPRO TECHNOLOGIES PRIVATE LIMITED

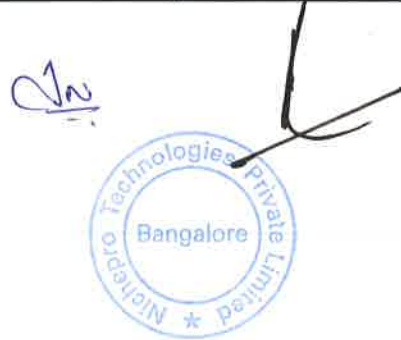
Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Note 10 Revenue from operations (Net)

	Particulars	For the year ended 31	For the year ended 31
		March, 2017	March, 2016
(a)	Sale of products	56,89,673	24,13,505
(b)	Income from services	2234,18,768	2709,29,102
	<b>Total</b>	<b>2291,08,441</b>	<b>2733,42,607</b>

Note 11 Other income

	Particulars	For the year ended 31	For the year ended 31
		March, 2017	March, 2016
(a)	Interest income	10,13,623	62,09,184
(b)	Gain on account of foreign currency fluctuations	9,71,444	9,39,184
(c)	Liability no longer required written back	11,18,863	-
(d)	Miscellaneous Income	1,50,000	-
	<b>Total</b>	<b>32,53,931</b>	<b>71,48,368</b>



Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Note 12 Employee benefits expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	1631,18,588	1950,36,495
Director's Remuneration	40,80,000	81,60,000
Contributions to provident and other funds	48,57,389	69,31,552
Gratuity <sup>^</sup>	29,78,186	-
Leave Encashment*	21,11,868	-
Staff welfare expenses	5,78,375	8,72,682
<b>Total</b>	<b>1777,24,406</b>	<b>2110,00,729</b>

<sup>^</sup> Includes prior period expenses of Rs. 26,56,579 as per actuary report and the gratuity paid to employees exited during the year not considered in the valuation report as of 31.03.2017.

\* Leave Encashment liability is provided as per the Actuarial valuation report obtained for the year Ended March 31, 2017.

**Gratuity**

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

**Leave Encashment**

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

Note 13 Finance Costs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Bank Charges	6,85,751	1,64,595
Interest paid	133,51,680	293,87,922
<b>Total</b>	<b>140,37,430</b>	<b>295,52,517</b>

Note 14 Depreciation and Amortisation Expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Depreciation	10,16,183	1,64,595
Amortisation	10,21,644	293,87,922
<b>Total</b>	<b>20,37,827</b>	<b>295,52,517</b>



# Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

## Note 15 Other expenses

Particulars	For the year ended	For the year ended
	31 March, 2017	31 March, 2016
Auditors' Remuneration:		
Audit Fees	3,25,000	1,00,000
Review Fees	1,00,000	-
Tax Audit Fees	50,000	50,000
Books & periodicals	1,960	4,200
Business Promotion	29,140	2,46,261
Project and hardware expenses	71,65,625	89,64,203
Commission Paid	33,185	57,151
Computer Maintainance	2,16,166	3,39,344
Electricity Charges	4,33,471	7,91,262
Insurance Premium	12,72,703	17,52,149
Internet Charges	89,550	17,79,464
Loss on sale of fixed assets	12,08,299	-
Miscellaneous Expenses	29,004	41,282
Office Maintainance	5,95,928	13,62,113
Operating Lease Charges	7,20,763	27,51,694
Postage and couriers	88,245	1,24,011
EMD and E procurement expenses	-	1,43,400
Printing and Stationery	82,190	1,15,686
Professional Fees	770,77,925	39,85,278
Professional Fees-Direct	45,15,115	61,10,766
Rates & Taxes	93,94,742	1,14,952
Registration and Renewals	-	15,670
Directors Remuneration	20,000	81,60,000
Recruiting Expenses	3,200	34,188
Rent	66,28,411	93,41,570
Security Charges	3,32,744	6,58,430
Rebate and discounts	20,75,925	24,744
Software Licences	23,90,354	28,07,989
Telephone Charges	10,18,906	21,96,467
Training and Development	-	26,750
Bad Debts written off/advances written off	28,33,861	95,38,617
Travelling and conveyance	27,37,322	87,76,645
Vehicle Maintainance	60,627	85,670
Water Charges	1,06,498	1,46,220
Labour Contract Charges	-	1,55,377
Provision for bad and doubtful debts	64,10,315	-
Provision for impairment of intangible assets	-	614,10,410
<b>Total</b>	<b>1280,47,173</b>	<b>1322,11,963</b>



Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

16 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability

There are no contingent liabilities as on 31.03.2017 (Previous Year Rs. NIL).

(b) Capital Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advance of Rs NIL) as at March 31, 2017 is Rs NIL and (Previous Year Rs. NIL).

(c) Other Commitments

Guarantees given by banks against Fixed Deposits as at March 31, 2017 is Rs. 9,40,000 (Previous year Rs. 4,70,000) in favour of BWSS

17 LEASES

(a) The Company has taken on operating lease office premises at various locations and rents are accounted as per the agreement.

(b) Rent payments are recognised in the Statements of Profit and Loss under the head "Rent" in Notes 11 "Other Expenses" for the year ended March 31, 2017 amounting to Rs. 66,28,411 (Previous year: Rs 93,41,570).

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

Minimum Lease Rental Payable	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Within 1 year	Nil	Nil
Later than one year but not later than 5 years	Nil	Nil
More than 5 years	Nil	Nil

18 DUES TO MICRO, SMALL & MEDIUM ENTERPRISES

There are no dues to Micro, Small and Medium enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

19 RELATED PARTY DISCLOSURE

(a) Related parties where control exists:

Nature of Relationship

Ultimate Holding Company

TeamLease Services Limited ('TSL')  
\*Ultimate Holding company w.e.f October 01, 2016.

Holding Company

TeamLease Staffing Services Private Limited ('TSSPL')  
\*Holding company w.e.f October 01, 2016.

(b) Other Related Parties:

Key Management personnel

Mr. Satisha Naraharimurthy - Director (Resigned w.e.f October 01, 2016)  
Ms. Arundathi G V - Director (Resigned w.e.f October 01, 2016)

Directors\*

Mr. Ashok Kumar Nedurumalli, Non-executive director  
Mr. Narayan Swamy Ravi Vishwanath, Non-executive director  
Ms. Shilpa Kamlesh Avarsekar, Independent director  
Mr. Sudhir Bahadur Bajpai, Independent director

\* Appointed w.e.f October 01, 2016

Enterprise over which Key Management Personnel are able to exercise significant influence with whom transactions have taken place during the year

Smartplanet Services India Private Limited('Smartplanet')#  
Comcast Software Solutions Private Limited('Comcast')#  
NetZealous Services India Private Limited('NetZealous')#  
NetZealous LLC., USA('NetZealous USA')#

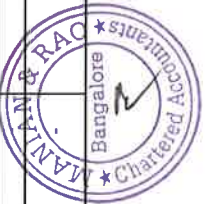
# Upto September 30, 2016.



Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

Nature of Transactions	Name of Related Party	Ultimate Holding Company/Subsidiary Company		Key Management Personnel and their relatives		Enterprise over which Key Management Personnel/Directors are having Significant Influence		Total
		March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016	
<b>ISSUANCE OF EQUITY SHARES</b>								
On conversion of OCCPS	TSSPL	1234,21,000	-	-	-	-	-	1234,21,000
Rights Issue of Shares	TSSPL	249,75,000	-	-	-	-	-	249,75,000
<b>Total - Issue of Equity Shares</b>		<b>1483,96,000</b>						<b>1483,96,000</b>
<b>FINANCE</b>								
Loans received from related parties	Satisha N TSSPL	1402,00,000	-	158,25,000	-	-	-	158,25,000 1402,00,000
Interest on loan received	Satisha N TSSPL	46,89,049	-	-	-	-	-	46,89,049
<b>Total Receivables</b>		<b>1448,89,049</b>		<b>158,25,000</b>				<b>158,25,000</b> <b>1448,89,049</b>
Loan Repaid	Satisha N TSSPL	402,00,000	-	158,25,000	-	-	-	158,25,000 402,00,000
Interest Repaid	Satisha N TSSPL	25,90,195	-	-	-	-	-	25,90,195
<b>Total repaid</b>		<b>427,90,195</b>		<b>158,25,000</b>				<b>158,25,000</b> <b>427,90,195</b>
<b>OTHER RECEIPTS AND PAYMENTS</b>								
Rent Paid	TLSL	18,00,000	-	-	-	-	-	18,00,000
<b>Total Rent Paid</b>		<b>18,00,000</b>						<b>18,00,000</b>
Professional/ Consultancy Charges	Comcast NetZealous Smartplanet	-	-	-	-	50,27,000 359,33,049 32,03,132	-	50,27,000 359,33,049 32,03,132
<b>Total Professional/ Consultancy Charges</b>						<b>441,63,181</b>		<b>441,63,181</b>



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Nichepro Technologies Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

(In Rupees)

Nature of Transactions	Name of Related Party	Ultimate Holding Company/Holding Company/Subsidiary Company		Key Management Personnel and their relatives		Enterprise over which Key Management Personnel/Directors are having Significant Influence		Total	
		March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016	March 31 2017	March 31 2016
Remuneration to Key Management Personnel	Satisha N Arundathi G V	-	-	30,00,000	60,00,000	-	-	30,00,000	60,00,000
Total-Remuneration to Key Management Personnel		-	-	40,80,000	81,60,000	-	-	40,80,000	81,60,000
Sale of Assets	Comcast Smartplanet	-	-	-	-	25,27,867	-	25,27,867	-
Total - Sale of Assets		-	-	-	-	39,27,867	-	39,27,867	-
<b>OUTSTANDING BALANCES</b>									
Receivables									
Loans and Advances Receivable	Satisha N Smartplanet	-	-	-	104,81,815	-	-	-	104,81,815
Total - Loans and advances Receivables		-	-	-	104,81,815	-	-	-	109,57,604
Trade Receivables	Comcast NetZealous NetZealous USA	-	-	-	-	-	-	38,75,399	89,38,947
Total - Trade Receivables		-	-	-	-	-	-	-	273,20,167
Payables									
Sundry Creditors for Expenses	TLSL Smartplanet	4,72,500	-	-	-	2,62,500	-	4,72,500	-
Total -Sundry Creditors for Expenses		4,72,500	-	-	-	2,62,500	-	7,35,000	-
Loan and advances received (including interest thereon)	Satisha N TSSPL	-	-	-	50,810	-	-	-	50,810
		1020,98,854	-	-	-	-	-	1020,98,854	-
		1020,98,854	-	-	50,810	-	-	1020,98,854	50,810



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**Nichepro Technologies Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

**20 a) EMPLOYEE BENEFITS - GRATUITY (Funded)**

The following tables summarize the components of the net employee benefit expenses recognised in the Statement of Profit and Loss and the amount recognised in the Balance Sheet for the Gratuity. The liability is funded with L.I.C.

Disclosure relating to actuarial valuation of Gratuity:

	As at March 31, 2017	As at March 31, 2016
<b>I. Assumptions</b>		
Discount Rate	7.50% p.a.	8.00% p.a.
Expected Return On Plan Assets	7.50% p.a.	8.00% p.a.
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	6% p.a	6% p.a
Attrition	8% p.a	8% p.a
Retirement	58 yrs.	58 yrs.
<b>II. Change in Present Value Benefit Obligation:</b>		
Present Value Of obligation at the beginning of the year	41,95,003	41,47,807
Adjustment to present value	-	-
Interest Cost	2,73,023	3,34,627
Current Service Cost	15,36,447	20,30,377
Past Service Cost	-	-
Benefits Paid	(10,09,568)	(2,23,850)
Transfer In	-	-
Actuarial (gain)/loss on Obligation	(19,09,300)	(20,93,958)
<b>Present Value Of obligation at the end of the year</b>	<b>30,85,605</b>	<b>41,95,003</b>
<b>III. Change in Fair Value Plan Assets:</b>		
Fair value of plan Assets beginning of the year	12,76,150	15,00,000
Expected Return On plan assets	57,852	1,11,046
Contributions	-	-
Benefits Paid	(10,09,568)	(2,23,850)
Actuarial gain/(loss) on Plan Assets	(57,852)	(1,11,046)
Fair value of plan Assets at the end of the year	2,66,582	12,76,150
<b>IV. Actuarial gain/(loss) recognized</b>	<b>18,51,448</b>	<b>19,82,912</b>
<b>V. Balance Sheet Recognition</b>		
Present Value Of Obligation	30,85,605	41,95,003
Fair Value Of Plan Assets	2,66,582	12,76,150
Liability (assets)	28,19,023	29,18,853
Unrecognised Past Service Cost	-	-
<b>Liability (asset) recognised in the Balance Sheet</b>	<b>28,19,023</b>	<b>29,18,853</b>
<b>VI. Expenses Recognition</b>		
Current Service Cost	15,36,447	20,30,377
Interest Cost	2,73,023	3,34,627
Expected Return On plan assets	(57,852)	(1,11,046)
Net Actuarial (gain)/loss recognised in the year	(18,51,448)	(19,82,912)
Past Service Cost	-	-
<b>Expenses Recognised in the statement of Profit and Loss</b>	<b>(99,830)</b>	<b>2,71,046</b>
<b>VII. Movements in the liability recognised in Balance Sheet</b>		
Opening net Liability	41,95,003	41,47,807
Adjustment to Present Value	-	-
Expenses	(99,830)	2,71,046
Benefits Paid	(10,09,568)	(2,23,850)
Transfer In	-	-
Closing Net Liability	<b>30,85,605</b>	<b>41,95,003</b>
<b>VIII. Current and Non-Current Liability</b>		
Current	13,865	35,315
Non-current	30,71,740	41,59,688
<b>IX. Experience adjustment</b>		
Experience adjustment on Present value of obligation - Loss/(Gain)	2,51,614	6,54,066
Experience adjustment on fair value of Plan assets - Gain/(Loss)	(57,852)	(1,11,406)
Total experience adjustment	1,93,762	5,42,660

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

Particulars	Gratuity		
	March 31, 2015	March 31, 2014	March 31, 2013
Benefit Obligation	41,47,807	23,85,492	7,85,710
Fair value of Plan Assets	15,00,000	NA	NA
Funded status Deficit / (Surplus)	26,47,807	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	1,72,321	(1,51,755)	-
Experience adjustment on Plan Assets Gain/(Loss)	(67,500)	NA	NA

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

Particulars	March 31 2017	March 31 2016
	Rupees	Rupees
Employers contribution to Provident Fund	43,76,992	62,50,308
Employees State Insurance Corporation	3,005	-
Provident Fund Administrative charges	4,77,392	6,81,244
<b>Total</b>	<b>48,57,389</b>	<b>69,31,552</b>



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**Nichepro Technologies Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

**21 Segment Reporting:**

**Primary Segment:**The Business segment has been considered as the Primary Segment for disclosure. The Company is in the business of providing manpower services. Accordingly there are no reportable segments as per AS 17 issued by The Institute of Chartered Accountants of India.

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

**22 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	9,871	9,871
Permitted receipts	-	1,46,000	1,46,000
Permitted payments	-	96,825	96,825
Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>59,046</b>	<b>59,046</b>

**23 EXPENDITURE IN FOREIGN CURRENCY**

	For the Year Ended March 31, Rupees	For the Year Ended March 31, 2016 Rupees
<u>(a) Expenditure in Foreign Currency</u>		
Software License Fees	6,66,875	11,38,680
Foreign Travel	1,67,401	3,02,000
<b>Total</b>	<b>8,34,276</b>	<b>14,40,680</b>

**24 Previous Year Figures**

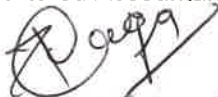
Figures of previous year have been regrouped, re-arranged and reclassified wherever necessary to conform to the current period's classification.

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

Signatures to Note Number 1 to 24 forming part of the Financial Statements.

**For Manian & Rao**

Firm Registration Number: 001983S  
Chartered Accountants

  
Paresh Daga  
Partner

Membership No: 211468

Place : Bengaluru  
Date : May 17, 2017

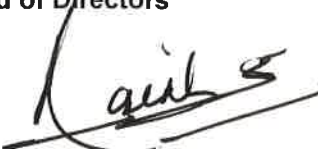


**For and on behalf of the Board of Directors**



**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814

Place : Bengaluru  
Date : May 17, 2017



**N. Ravi Vishwanath**  
Director  
DIN: 07332234



## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF TeamLease Staffing Services Private Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of TeamLease Staffing Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

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

### **Auditor's Responsibility**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

### **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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of its Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 does not have any pending litigations as on 31<sup>st</sup> March 2017;
- 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.
- iv) The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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 : 17<sup>th</sup> May 2017

## **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 STAFFING SERVICES PRIVATE LIMITED ("the Company") as of March 31, 2017 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.

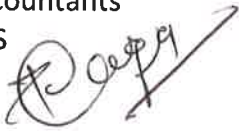


## Opinion

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, 2017, 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 : 17<sup>th</sup> May 2017



**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 no Fixed Assets and hence reporting under paragraph 3 (i) (a), (b), (c) of the order is not applicable.
- (ii) As explained to us, the company does not hold any inventories, accordingly reporting under paragraph 3 (ii) of the order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and accordingly to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Act with respect to loans and investments.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. The Company does not have any unclaimed deposits hence reporting under clause (v) of the order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, and Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes




- (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, banks, government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). 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 our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph (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 financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

  
Paresh Daga  
Partner  
M.No. 211468  
Place: Bangalore



Date : 17<sup>th</sup> May 2017

TeamLease Staffing Services Private Limited

Balance Sheet as at March 31, 2017

		As at March 31, 2017 Rupees
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	3	34,100,000
Reserves and Surplus	4	118,548,196
<b>Non-Current Liabilities</b>		
Long term borrowings	5	797,000,000
<b>Current Liabilities</b>		
Short-Term Borrowings	6	106,666,617
Other Current Liabilities	7	21,601,496
Short-Term Provisions	8	230,000
<b>Total</b>		<b><u>1,078,146,309</u></b>
<b>II. ASSETS</b>		
<b>Non-Current Assets</b>		
Non-Current Investments	9	973,286,639
<b>Current Assets</b>		
Cash and Bank Balances	10	614,847
Short-Term Loans and Advances	11	103,593,195
Other Current Assets	12	651,628
<b>Total</b>		<b><u>1,078,146,309</u></b>

Significant Accounting Policies 2  
The accompanying notes are an integral part of these Financial Statements.

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

**For Manian & Rao - Chartered Accountants**  
Firm Registration Number: 001983S




**Paresh Daga**  
Partner  
Membership No: 211468




Place : Bengaluru  
Date : May 17, 2017

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



**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814



**N. Ravi Vishwanath**  
Director  
DIN: 07332234

Place : Bengaluru  
Date : May 17, 2017

TeamLease Staffing Services Private Limited

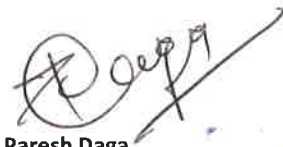
Statement of Profit and Loss for the year ended March 31, 2017

		For the Year Ended March 31, 2017 Rupees
<b>Revenue</b>	<b>Notes</b>	
Other Income	13	6,516,295
<b>Total Revenue</b>		<b>6,516,295</b>
<b>Expenses</b>		
Finance Costs	14	22,154,893
Other Expenses	15	1,813,206
<b>Total Expenses</b>		<b>23,968,099</b>
<b>Profit/(Loss) before Tax</b>		<b>(17,451,804)</b>
<b>Tax Expense</b>		
Current Tax		-
Deferred Tax (net)		-
<b>Profit/(Loss) for the year</b>		<b>(17,451,804)</b>
Earnings Per Equity Share (Nominal Value per Equity share - Rs 10) Basic and Diluted	16	(14.99)

Significant Accounting Policies 2  
The accompanying notes are an integral part of these Financial Statements.

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

**For Manian & Rao - Chartered Accountants**  
Firm Registration Number: 001983S

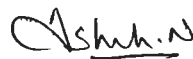


**Paresh Daga**  
Partner  
Membership No: 211468



Place : Bengaluru  
Date : May 17, 2017

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



**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814



**N. Ravi Vishwanath**  
Director  
DIN: 07332234

Place : Bengaluru  
Date : May 17, 2017

TeamLease Staffing Services Private Limited

Cash Flow Statement for the year ended March 31, 2017

For the Year Ended  
March 31, 2017  
Rupees

**A Cash flow from Operating Activities:**

Loss before Tax	(17,451,804)
<b>Adjustments for :</b>	
Interest expense on loans from Related Parties	6,593,030
Interest income on loan to related parties	(6,516,295)
Interest on Compulsorily Convertible Debentures	15,561,863
<b>Operating income before working capital changes</b>	<b>(1,813,206)</b>
<b>Changes in working capital:</b>	
Increase in other current liabilities and short term provisions	2,825,819
<b>Cash generated from operations</b>	<b>1,012,613</b>
Taxes (paid) / refunded (net)	(651,628)
<b>Net cash (used in)/generated from Operating Activities (A)</b>	<b>360,985</b>

**B Cash flow from Investing Activities:**

Investment in shares of Subsidiary Company	(968,286,639)
Repayment of loans and advances by related parties	286,705,659
Loans and advances given to related parties	(388,200,000)
Interest received on loans to related parties	4,417,441
<b>Net cash (used in) investing activities (B)</b>	<b>(1,065,363,539)</b>

**C Cash flow from Financing Activities :**

Proceeds from issue of equity shares	170,100,000
Proceeds from issue of CCD	797,000,000
Loan received from Related Party	388,700,000
Loan refunded to related party	(284,500,000)
Interest paid on CCD	(1,556,186)
Interest paid on loans others	(4,126,413)
<b>Net cash generated from/(used in) Financing Activities (C)</b>	<b>1,065,617,401</b>

**Net increase in Cash and Cash equivalents (A+B+C)** **614,847**

Cash and Cash equivalents at the beginning of the year

**Cash and Cash equivalents at the end of the year** **614,847**

**Cash and Cash equivalents comprises of**

In Current Accounts **614,847**

**Cash and Cash Equivalents at the end of the year** **614,847**

\* Refer Note 10.

**Notes**

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".

2 Figures in the bracket indicate cash outgo / income.


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

**For Manian & Rao - Chartered Accountants**  
Firm Registration Number: 0019835

  
**Paresh Daga**  
Partner  
Membership No: 211468



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

  
**Ashok Kumar Nedurumalli**  
Director  
DIN: 00151814

  
**N. Ravi Vishwanath**  
Director  
DIN: 07332234

Place : Bengaluru  
Date : May 17, 2017

Place : Bengaluru  
Date : May 17, 2017

**TeamLease Staffing Services Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

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**1. General Information**

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

**2. Summary of significant accounting policies**

**i. Basis of preparation:**

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

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

**ii. Use of Estimates:**

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

**iii. Tangible Assets:**

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

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

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act, 2013. The residual value of all assets is assumed as five percent of the original cost of the asset.

**iv. Borrowing Costs:**

Borrowing costs include interest and ancillary costs incurred in connection with the arrangement of borrowings.

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



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Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

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v. **Impairment of Assets:**

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

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

vi. **Investments:**

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

vii. **Revenue Recognition:**

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

**Other Income:**

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

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

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

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

viii. **Employee Benefits:**

a) **Provident Fund**

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

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

b) **Gratuity**

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

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



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Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

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**ix. Current and Deferred Tax:**

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

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

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

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

**x. Provisions and Contingent Liabilities:**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

**xi. Leases:**

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

**xii. Segment Reporting**

The Company operates only in one segment, hence segmental reporting is not applicable.

**xiii. Cash and Cash Equivalents**

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

**xiv. Earnings Per Share:**

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



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**TeamLease Staffing Services Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

<b>3 SHARE CAPITAL</b>	<b>As At March 31, 2017 Rupees</b>
<b>Authorised</b>	
3,500,000 Equity shares of Rs. 10 each	35,000,000
<b>Total</b>	<u><b>35,000,000</b></u>
<b>Issued, Subscribed and Paid-Up</b>	
3,410,000 Equity Shares of Rs. 10 each fully paid up	34,100,000
<b>Total</b>	<u><u><b>34,100,000</b></u></u>

**3.1 Reconciliation of the number of shares**

Equity Shares	As at March 31, 2017	
	Number of Shares	Rupees
Balance as at the beginning of the year	-	-
Add: Issued during the year	3,410,000	34,100,000
Balance as at the end of the year	<b>3,410,000</b>	<b>34,100,000</b>

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

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

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

Name of the Shareholder	As at March 31, 2017	
	Number of Shares	% holding
TeamLease Services Limited "TSL"(including its nominee)*	3,410,000	100%

\* Holding Company since incorporation



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**TeamLease Staffing Services Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

<b>4 RESERVES AND SURPLUS</b>	<b>As At March 31, 2017 Rupees</b>
<b>Securities Premium Account</b>	
Balance as at the beginning of the year	-
Add: Issue of Equity Shares	<u>136,000,000</u>
Balance as at the end of the year	<u><b>136,000,000</b></u>
<b>Surplus/ (Deficit) in Statement of Profit and Loss</b>	
Balance as at the beginning of the year	-
Add : Profit/(Loss) for the year	<u>(17,451,804)</u>
Balance as at the end of the year	<u><b>(17,451,804)</b></u>
<b>Total</b>	<u><u><b>118,548,196</b></u></u>
<b>5 Long Term Borrowings</b>	<b>As At March 31, 2017 Rupees</b>
<u>Unsecured - From Related Party (Refer Note: 5.1 below)</u>	
	<b>No. of Units</b>
9% Series A Compulsory Convertible Debentures payable annually of FV of Rs 10 lakhs each	686
	686,000,000
9% Series B Compulsory Convertible Debentures payable annually of FV of Rs 10 lakhs each	111
	111,000,000
<b>Total</b>	<u><u><b>797,000,000</b></u></u>
<b>5.1</b> On December 30, 2016, the Company allotted to TeamLeases Services Limited "TLSL", 3,400,000 equity shares @ Rs 50 per share (Face Value of Rs 10 per share) and 686 Series "A" Compulsory Convertible Debentures ("CCD") of Rs 1,000,000 each bearing interest @9% payable annually. On March 30, 2017, the Company further allotted 111 Series "B" CCD of Rs 1,000,000 each bearing interest @9% payable annually. The debentures are convertible on or before 10 years from the date of allotment.	
<b>6 SHORT-TERM BORROWINGS</b>	<b>As At March 31, 2017 Rupees</b>
Unsecured Loans - From TLSL (holding company)	<u>106,666,617</u>
<b>Total</b>	<u><u><b>106,666,617</b></u></u>
The above loan is repayable on demand carrying interest rate @ 9%	
<b>7 OTHER CURRENT LIABILITIES</b>	<b>As At March 31, 2017 Rupees</b>
Sundry Creditors for expenses	765,565
Interest accrued but not due on CCD	14,005,677
Statutory dues	1,830,254
Sundry Creditors for Investments	<u>5,000,000</u>
<b>Total</b>	<u><u><b>21,601,496</b></u></u>
<b>8 SHORT-TERM PROVISIONS</b>	<b>As At March 31, 2017 Rupees</b>
Audit Fees Payable	<u>230,000</u>
<b>Total</b>	<u><u><b>230,000</b></u></u>



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TeamLease Staffing Services Private Limited

Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017

9 NON-CURRENT INVESTMENTS

	Face Value Rupees	As at March 31, 2017	
		Number	Rupees
<b>Other than Trade Investments (At Cost) (Refer Note 9.1 below)</b>			
<b>Unquoted Equity Instruments</b>			
Investment in Subsidiaries (Fully paid-up)			
ASAP Info Systems Private Limited	10	85,020	570,151,366
NichePro Technologies Private Limited	10	6,889,210	320,930,253
Keystone Business Solutions Private Limited	10	42,627	82,205,020
<b>Total</b>		<b>7,016,857</b>	<b>973,286,639</b>

Aggregate Value of Unquoted Investments  
-At Book Value 973,286,639

9.1 During the year ended March 31, 2017, the Company acquired ASAP Info Systems Private Limited ("ASAP"), a company incorporated under Companies Act, 1956 w.e.f. September 01, 2016 at an agreed consideration of Rs. 670,000,000. This includes contingent consideration up to Rs. 100,500,000 lakhs depending upon the performance of ASAP and the same if any, will be appropriately accounted for at the time of certainty of the amount i.e. as at August 31, 2017. The control of ASAP got transferred on completion of transaction on September 01, 2016.

Further, the Company signed a definitive agreement on September 20, 2016 to acquire Nichepro Technologies Private Limited ("Nichepro"), a company incorporated under Companies Act, 1956 at an agreed cash consideration of Rs. 295,000,000. The control of Nichepro got transferred on completion of transaction on October 01, 2016.

On January 16, 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.82,000,000. The control of Keystone got transferred to the Company on February 01, 2017.

10 CASH AND BANK BALANCES

As At  
March 31, 2017  
Rupees

(a) Cash And Cash equivalents

Balances with banks:

In Current Accounts 614,847

**Total 614,847**

11 SHORT-TERM LOANS AND ADVANCES

As At  
March 31, 2017  
Rupees

Unsecured considered good

Loans and Advances to Related Parties 103,593,195

**Total 103,593,195**

11.1 The breakup of Loans and Advances to Related Parties is as below:

As At  
March 31, 2017  
Rupees

Loan to Related Parties (Refer Note 11.2 below):

ASAP Info Systems Private Limited 1,494,341

Nichepro Technologies Private Limited 102,098,854

**Total 103,593,195**

11.2 The above loans to subsidiary companies were given for the purpose of meeting business requirements of the respective companies.



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TeamLease Staffing Services Private Limited  
Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and  
Statement of Profit and Loss for the year ended March 31, 2017

<b>12 OTHER CURRENT ASSETS</b>	<b>As At</b>
	<b>March 31, 2017</b>
	<b>Rupees</b>
TDS Receivables	651,628
<b>Total</b>	<b>651,628</b>
<b>13 OTHER INCOME</b>	<b>For the Year Ended</b>
	<b>March 31, 2017</b>
	<b>Rupees</b>
Interest on loan to related parties	6,516,295
<b>Total</b>	<b>6,516,295</b>
<b>14 FINANCE COSTS</b>	<b>For the Year Ended</b>
	<b>March 31, 2017</b>
	<b>Rupees</b>
Interest on Compulsory Convertible Debentures	15,561,863
Interest on Loans	6,593,030
<b>Total</b>	<b>22,154,893</b>
<b>15 OTHER EXPENSES</b>	<b>For the Year Ended</b>
	<b>March 31, 2017</b>
	<b>Rupees</b>
Auditors' Remuneration (Refer Note 15.1 below)	346,873
Bank Charges	230
Demat Charges	5,750
Legal and Professional	776,365
Filing Fees	14,000
Rates and Taxes	618,588
Preliminary Expenses Written Off	51,400
<b>Total</b>	<b>1,813,206</b>
<b>15.1 Auditors' Remuneration</b>	<b>For the Year Ended</b>
	<b>March 31, 2017</b>
	<b>Rupees</b>
Statutory Audit Fees	201,250
Tax Audit Fees	28,750
Other Fees	115,000
Out of Pocket Expenses	1,873
<b>Total</b>	<b>346,873</b>
<b>16 EARNINGS PER SHARE</b>	<b>For the Year Ended</b>
	<b>March 31, 2017</b>
	<b>Rupees</b>
Profit/(Loss) attributable to Equity shareholders	(17,451,804)
Weighted average number of Equity Shares:	
- For Basic and Diluted	1,164,244
Nominal Value of Equity Shares	10
Earning per Share (EPS) (In Rupees)	
- Basic and Diluted (Face Value of Rs. 10 each)	(14.99)







**TeamLease Staffing Services Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

**17. RELATED PARTY DISCLOSURE**

**(a) Related parties where control exists:**

**Nature of Relationship**

Holding Company (Refer Note: 3.4)	TeamLease Services Limited ('TSL') <i>*Holding company w.e.f July 04, 2016 i.e. since incorporation</i>
Subsidiary Company (Refer Note: 9.1)	ASAP Info Systems Private Limited ('ASAP') NichePro Technologies Private Limited ('NTPL') Keystone Business Solutions Private Limited ('KBSPL')

**(b) Other Related Parties:**

Non-Executive Directors	Mrs. Shilpa Kamlesh Avarsekar* (w.e.f November 08, 2016) Mr. Ashok Kumar Nedurumalli* (w.e.f July 04, 2016) Mr. Narayan Swamy Ravi Vishwanath* (w.e.f July 04, 2016)
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**c. Transactions with Related Parties:**

<b>Particulars</b>	<b>March 31, 2017</b>
<b><u>Issue of equity shares - Initial Subscription</u></b>	
TeamLease Services Limited	100,000
<b><u>Right Issue of equity shares</u></b>	
TeamLease Services Limited	170,000,000
<b><u>Right Issue of CCD</u></b>	
TeamLease Services Limited	797,000,000
<b><u>Reimbursement of Expenses:</u></b>	
TeamLease Services Limited	1,984,886
Keystone Business Solutions Private Limited	205,020
<b>Total</b>	<b>2,189,906</b>
<b><u>Interest on CCD</u></b>	
TeamLease Services Limited	15,561,863
<b><u>Interest paid on CCD</u></b>	
TeamLease Services Limited	1,556,186
<b><u>Loan Received</u></b>	
TeamLease Services Limited	388,700,000
<b><u>Loan Repaid</u></b>	
TeamLease Services Limited	284,500,000
<b><u>Interest on Loan received</u></b>	
TeamLease Services Limited	6,593,030
<b><u>Interest Repaid</u></b>	
TeamLease Services Limited	4,126,413



*[Handwritten signatures]*

**TeamLease Staffing Services Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	March 31, 2017
<b><u>Loan Given</u></b>	
-Nichepro Technologies Private Limited	140,200,000
-ASAP Info Systems Private Limited	248,000,000
<b>Total</b>	<b>388,200,000</b>
<b><u>Loan repaid during the year:</u></b>	
-Nichepro Technologies Private Limited	40,200,000
-ASAP Info Systems Private Limited	246,505,659
<b>Total</b>	<b>286,705,659</b>
<b><u>Interest on loan given:</u></b>	
-Nichepro Technologies Private Limited	4,689,049
-ASAP Info Systems Private Limited	1,827,246
<b>Total</b>	<b>6,516,295</b>
<b><u>Interest received on Loan given:</u></b>	
-Nichepro Technologies Private Limited	2,590,195
-ASAP Info Systems Private Limited	1,827,246
<b>Total</b>	<b>4,417,441</b>
<b><u>OUTSTANDING BALANCES</u></b>	
<b><u>Sundry Creditors for Expenses</u></b>	
-TeamLease Services Limited	764,865
<b><u>Loan Payable:</u></b>	
TeamLease Services Limited	106,666,617
<b><u>CCD Payable:</u></b>	
TeamLease Services Limited	797,000,000
<b><u>Interest on CCD Payable:</u></b>	
TeamLease Services Limited	14,005,677
<b><u>Investments</u></b>	
-Nichepro Technologies Private Limited	320,930,253
-ASAP Info Systems Private Limited	570,151,366
-Keystone Business Solutions Private Limited	82,205,020
<b>Total Investments</b>	<b>973,286,639</b>
<b><u>Receivables - Loan</u></b>	
-Nichepro Technologies Private Limited	102,098,854
-ASAP Info Systems Private Limited	1,494,341
<b>Total Receivables</b>	<b>103,593,195</b>



A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line and a diagonal stroke.

**TeamLease Staffing Services Private Limited**

**Notes to the Financial Statements forming part of Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017**

**18 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016**

Particulars	SBNs	Other	Total
Closing cash in hand as on 08.11.2016	-	-	-
Permitted receipts	-	-	-
Permitted payments	-	-	-
Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

**19** The Board of directors during its meeting held on March 22, 2017 approved the Scheme of Amalgamation of ASAP and Nichepro with the Company with appointed date as January 01, 2017. The Company is in the process of filing the merger petition with National Company Law Tribunal, Mumbai.

**20** As per Section 129 (3) read with Rule 6 of the Companies (Accounts) Rules, 2014 the Company is exempted from preparing and presenting consolidated financial statements being an unlisted wholly owned subsidiary of TeamLease Services Limited which files consolidated financial statements with the Registrar in compliance with applicable accounting standards.

**21 Previous Year Figures**

The Company was incorporated on July 04, 2016, hence the numbers are for the period from July 04, 2016 to March 31, 2017.

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

Signatures to Note Number 1 to 21 forming part of the Financial Statements.

**For Manian & Rao - Chartered Accountants**

Firm Registration Number: 001983S



**Paresh Daga**

Partner

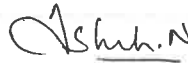
Membership No: 211468

Place : Bengaluru

Date : May 17, 2017



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



**Ashok Kumar Nedurumalli**

Director

DIN: 00151814

Place : Bengaluru

Date : May 17, 2017



**N. Ravi Vishwanath**

Director

DIN: 07332234





## **INDEPENDENT AUDITOR'S REPORT**

**TO**  
**THE MEMBERS**  
**TEAMLEASE EDUCATION FOUNDATION**

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

We have audited the accompanying financial statements of **TEAMLEASE EDUCATION FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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





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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, its profit and cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016-Refer Note -20 to the financial statements. These disclosures are in accordance with the books of account maintained by the Company.
- h) The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act is not applicable during the year as per the information obtained being a Company licensed to operate under Sec 8 of the Companies Act, 2013.

For Gnaneshwar & Co.,  
Chartered Accountants

**Firm Registration No: 008544S**

**Gnaneshwar M B**  
Proprietor

**Membership No: 207475**



Place: Bangalore  
Date: June 14, 2017



## **Annexure A to Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Teamlease Education Foundation ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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.

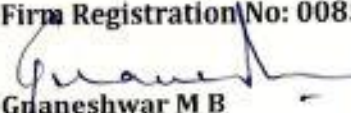
### **Opinion**

In our opinion, 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, 2017, 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 Gnaneshwar & Co.,

Chartered Accountants

**Firm Registration No: 008544S**

  
**Gnaneshwar M B**

Proprietor

**Membership No: 207475**

Place: Bangalore

Date: June 14, 2017



## TeamLease Education Foundation

Balance Sheet as at March 31, 2017

(Amount In Rs.)

Particulars	Note No	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	1,00,000	1,00,000
Reserves and Surplus	4	(1,84,84,323)	(1,84,88,103)
<b>Non Current Liabilities</b>			
Long Term borrowings	5	35,98,34,707	21,25,34,707
<b>Current Liabilities</b>			
Other current liabilities	6	66,29,769	1,10,94,092
<b>Total</b>		<b>34,80,80,153</b>	<b>20,52,40,696</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Non Current Investment	7	3,00,00,000	3,00,00,000
Long term loans and advances	8	30,76,30,030	16,50,89,439
Other Non Current Assets	9	-	-
<b>Current assets</b>			
Cash and bank balances	10	82,52,814	-
Other current assets	11	21,97,309	1,01,51,257
<b>Total</b>		<b>34,80,80,153</b>	<b>20,52,40,696</b>

The Notes forms an integral part of the Financial Statements

1-23

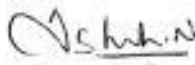
This is the Balance Sheet referred to in our report of even date.

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 008544S

Gnaneshwar H B  
Proprietor  
Membership No. 207475

Place : Bangalore  
Date : June 14, 2017

For and on behalf of the Board of Directors

  
Ashok Kumar Nedurumalli  
Director  
DIN : 00151814

  
Manish Sabharwal  
Director  
DIN : 00969601

Place : Bangalore  
Date : June 14, 2017

## TeamLease Education Foundation

### Statement of Profit and Loss for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Note No	For the year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Revenue</b>			
Revenue from Operations	12	1,00,84,500	27,05,000.00
Other Income	13	1,80,28,588	1,30,05,165
	<b>A</b>	<b>2,81,13,088</b>	<b>1,57,10,165</b>
<b>Expenses:</b>			
Employee benefit expenses	14	-	2,60,359
Finance Costs	15	1,86,55,993	1,00,33,036
Other expenses	16	3,49,445	51,17,187
Training Expenses	17	91,02,900	21,27,585
<b>Total Expenses</b>	<b>B</b>	<b>2,81,08,418</b>	<b>1,54,10,582</b>
<b>Profit before tax</b>	<b>A - B</b>	<b>4,671</b>	<b>2,99,583</b>
Tax Expenses		890	57,086
<b>Profit for the year</b>		<b>3,781</b>	<b>2,42,497</b>
Earnings per equity share of face value of Rs. 10 each: (1) Basic & Diluted	18	0.38	24.25

The Notes forms an integral part of the Financial Statements

1-23

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

For Gnaneshwar & Co  
Chartered Accountants  
Firm Registration No. - 0085445

Gnaneshwar M B  
Proprietor  
Membership No. 207475

Place : Bangalore  
Date : June 14, 2017

For and on behalf of the Board of Directors

  
**Ashok Kumar Nedurumalli**  
Director  
DIN : 00151814

  
**Manish Sabharwal**  
Director  
DIN : 00969601

Place : Bangalore  
Date : June 14, 2017

**TeamLease Education Foundation**  
Cash Flow Statement for the period ended March 31, 2017

	For the peirod ended March 31, 2017 Rupees	For the year ended March 31, 2016 Rupees
<b>A Cash flow from Operating Activities:</b>		
<b>Profit before Tax</b>	4,671	2,99,583
<b>Adjustments for :</b>		
Preliminary Expenses Written off	-	63,240
Interest Income on loan to related parties	(1,79,58,456)	(99,56,138)
Interest Income on others	-	(30,33,163)
Interest on Income Tax Refund	(70,132)	(21,049)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(1,80,23,918)</b>	<b>(1,26,47,527)</b>
<b>Adjustment for changes in working capital:</b>		
(Decrease) / Increase in other current liabilities	(44,64,323)	90,72,901
(Increase) / Decrease in long term loans and advances	(14,25,40,591)	(3,86,95,847)
(Increase) / Decrease in Other Current Assets	79,53,948	(15,25,550)
(Increase) / Decrease in Non current Asset	-	(3,00,00,000)
<b>Cash used in operations</b>	<b>(15,70,74,884)</b>	<b>(7,37,96,023)</b>
Taxes Paid	(890)	(57,086)
<b>Net cash used in Operating Activities (A)</b>	<b>(15,70,75,774)</b>	<b>(7,37,38,937)</b>
<b>B Cash flow from Investing Activities:</b>		
Interest Income on loan to related parties	1,79,58,456	99,56,138.00
Interest Income on others	-	30,33,163.00
Interest on Income Tax Refund	70,132	21,049
<b>Net cash generated from / (used in ) Investing Activities (B)</b>	<b>1,80,28,588</b>	<b>1,30,10,350</b>
<b>C Cash flow from Financing Activities :</b>		
Proceeds from Long Term Borrowings	14,73,00,000	5,72,87,733
	<b>14,73,00,000</b>	<b>5,72,87,733</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>82,52,814</b>	<b>(35,55,026)</b>
Cash and Cash Equivalent at the beginning of the year	-	35,55,026
<b>Cash and Cash Equivalent at the end of the year</b>	<b>82,52,814</b>	<b>(0.00)</b>
<b>Cash and Cash Equivalent comprises of</b>		
Balances with Banks - Current Account	82,52,814	-
<b>Cash and Cash Equivalent at the end of the year</b>	<b>82,52,814</b>	<b>-</b>

**Notes**

- 1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- 2 Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year classification.
- 3 The notes are integral part of the Financial Statements.

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

**For Gnaneshwar & Co**  
**Chartered Accountants**  
**Firm Registration No. - 008544S**

Gnaneshwar M B  
Proprietor  
Membership No.207475



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

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

*Manish Sabharwal*  
**Manish Sabharwal**  
Director  
DIN : 00969601

Place: Bangalore  
Date: June 14, 2017

Place: Bangalore  
Date: June 14, 2017



## TeamLease Education Foundation

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017

### 3. SHARE CAPITAL

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
<b>Authorized</b> 1,000,000 Equity shares of Rs. 10 each	1,00,00,000	1,00,00,000
	<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-Up</b> 10,000 Equity Shares of Rs. 10 each fully paid up	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>

3.1. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend in the current year.

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

Equity Shares of Rs.10 each Name of the shareholder	As at 31-Mar-2017		As at 31-Mar-2016	
	Number of Shares	% holding	Number of Shares	% holding
TeamLease Services Limited (including its nominees)	10,000	100.00%	10,000	100.00%
	<b>10,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>

3.3. The reconciliation of the number of equity shares outstanding as at December 31, 2016 is set out below:

Particulars	As at 31-Mar-17	As at 31-Mar-16
Number of shares as at the beginning of the year	10,000	10,000
Add/(Less): Shares allotted/Bought back during the year	-	-
Number of shares as at the end of the year	<b>10,000</b>	<b>10,000</b>

### 4. RESERVES AND SURPLUS

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
Surplus- Opening Balance	(1,84,88,103)	(1,87,30,600)
Add: Net profit after tax transferred from Statement of Profit and Loss	3,781	2,42,497
<b>Balance as at the end of the year</b>	<b>(1,84,84,322)</b>	<b>(1,84,88,103)</b>

### 5. LONG TERM BORROWINGS

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
<b>Loans and advances from related parties</b>		
Unsecured		
- TeamLease Services Limited	35,98,34,707	21,25,34,707
<b>Total</b>	<b>35,98,34,707</b>	<b>15,52,46,974</b>

### 6. OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
Sundry Creditors for Expenses (Note 6.A)	54,53,701	42,05,232
Bank Overdraft	-	60,30,645
Provision for Outstanding Expenses	60,000	40,075
Duties & Taxes	11,16,068	8,18,140
<b>Total</b>	<b>66,29,769</b>	<b>20,21,191</b>

#### 6.A Sundry Creditors for Expenses

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
Mirage Designers & Printers	252	252
Deccan Manpower Services Pvt Ltd	18,384	18,384
Srinidhi Office Automation	1,309	1,309
Sattva Media and Consulting Pvt Ltd	3,34,692	11,54,725
TeamLease Services Limited	50,99,064	30,30,562
<b>Total</b>	<b>54,53,701</b>	<b>42,05,232</b>

### 7. NON CURRENT INVESTMENT

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
Investment in Controlled Special purpose entity - TeamLease Skills University	3,00,00,000	3,00,00,000
<b>Total</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>

### 8. LONG TERM LOANS AND ADVANCES

Particulars	(Amount in Rs.)	
	As at 31-Mar-17	As at 31-Mar-16
<b>Loans and Advances to Related Party</b>		
<b>Unsecured considered Good</b>		
TeamLease Skills University	30,75,49,882	16,50,62,391
TeamLease Contract Services Pvt Ltd	40,074	11,524
<b>Loans and Advances to Others</b>		
TeamLease Consulting Pvt Ltd	40,074	11,524
<b>Total</b>	<b>30,76,30,030</b>	<b>16,50,89,439</b>



**9. OTHER NON CURRENT ASSETS**

(Amount in Rs.)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Preliminary Expenses	-	63,240
Less : Preliminary Exp written off	-	(63,240)
<b>Total</b>	-	-

**10. CASH AND BANK BALANCES**

(Amount in Rs.)

Particulars	As at 31-Mar-17	As at 31-Mar-16
<b>Cash And Cash Equivalents</b>		
<b>Balances with banks</b>		
In Current Accounts	82,52,814	-
<b>Total</b>	<b>82,52,814</b>	-

**11. OTHER CURRENT ASSETS**

(Amount in Rs.)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Interest receivable	-	81,97,103
TDS Receivable	17,95,846	15,58,448
Prepaid Expenses	5,159	7,859
Service Tax Input	3,86,304	3,87,847
Other Deposits	10,000	-
<b>Total</b>	<b>21,97,309</b>	<b>1,01,51,257</b>

**12. REVENUE FROM OPERATIONS**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Income From Skills	1,00,84,500	27,05,000
<b>Total</b>	<b>1,00,84,500</b>	<b>27,05,000</b>

**13. OTHER INCOME**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Interest Income on loan to related parties	1,79,58,456	98,87,324
Interest Income on others	-	30,96,790
Interest on Income Tax Refund	70,132	21,051
<b>Total</b>	<b>1,80,28,588</b>	<b>1,30,05,165</b>

**14. EMPLOYEE BENEFIT EXPENSES**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Salaries	-	1,28,000
Staff Welfare Expenses	-	1,32,359
<b>Total</b>	-	<b>2,60,359</b>

**15. FINANCE COSTS**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Interest Expenses	1,86,55,763	1,00,33,036
Bank Charges	230	-
<b>Total</b>	<b>1,86,55,993</b>	<b>1,00,33,036</b>

**16. OTHER EXPENSES**

(Amount in Rs.)

Particulars	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Rates & Taxes	13,958	65,178
Traveling and Conveyance	-	1,05,498
Auditors Remuneration (Refer 16.1 below)	60,000	40,075
Communication costs	-	5,10,445
Legal and professional fees	2,56,389	6,16,446
Advertisement and Business Promotion	-	80,009
Printing & Stationery	-	2,23,168
Repairs & Maintenance	-	2,27,894
Subscription & Membership	2,700	2,700
Preliminary Expenses Written off	-	63,240
R & M Others	16,398	-
Insurance Charges	-	6,064
Postage & Courier	-	4,28,435
Books & Periodicals	-	23
Registration Charges	-	5,00,000
Channel Partner	-	40,115
Hire Charges	-	11,399
Salary Contract	-	60,121
Miscellaneous Expenses	-	8,792
<b>Total</b>	<b>3,49,445</b>	<b>29,89,602</b>



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**16.1 Auditor's Remuneration**

Particulars	(Amount in Rs.)	
	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Statutory Audit Fees	45,000	40,075
Tax Audit Fees	15,000	-
<b>Total</b>	<b>60,000</b>	<b>40,000</b>

**17. Training Expenses Direct**

Particulars	(Amount in Rs.)	
	For the year Ended 31-Mar-17	For the year Ended 31-Mar-16
Training Expenses	35,21,500	21,12,500
<b>Total</b>	<b>35,21,500</b>	<b>21,12,500</b>

**18. EARNINGS PER SHARE**

Earnings per share has been computed as under:

Particulars	For the year Ended	
	31-Mar-17	31-Mar-16
Net Profit after tax for the year	5,761	2,41,497
Weighted Average Number of equity Shares outstanding (Basic / Diluted Share)	30,000	30,000
Earnings Per Share (Basic & Diluted)	0.30	7.99
Normal Value of Equity Share	18.00	18.00

**19. Related Party Disclosures**

**A) Names of Related Parties and Nature of Relationship**

**1. Wholly Control Entity**

Holding Company: TeamLease Services Limited (TSL)

**2. Other Related Parties with whom transactions have taken place during the year**

Nature of Relationship	Name of the related party
Enterprise over which key management personnel are able to exercise significant influence	TeamLease Contract Services Pvt. Ltd (TCSPL)
Controlled Special purpose entity	TeamLease Skills University (TSLU)

**B) Related Party Transactions**

Nature of Transactions/ Balances	Name of Related Party	Holding Company		Enterprise over which key management personnel are able to exercise significant influence		Controlled Special purpose entity		Total	
		31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
		<b>Transactions during the year:</b>							
Loan Received from Related Parties	TSL	20,22,80,000	19,00,64,337	-	-	-	-	20,22,80,000	19,00,64,337
Interest Expenses on Loan	TSL	1,08,55,763	1,18,83,194	-	-	-	-	1,08,55,763	1,18,83,194
Service Charges	TLS	64,25,615	18,12,080	-	-	-	-	64,25,615	18,12,080
Other Expenses	TSL	26,911	2,80,08,844	-	-	-	-	26,911	2,80,08,844
Interest from TCU	TSL	-	4,17,68,728	-	-	-	-	-	4,17,68,728
Interest on Loan from during the year	TSL	4,86,16,763	3,36,03,264	-	-	-	-	4,86,16,763	3,36,03,264
Loan Repayment	TSL	5,50,08,808	-	-	-	-	-	5,50,08,808	-
Other Expenses Paid	TSL	8,38,743	-	-	-	-	-	8,38,743	-
Interest on Loans	TSL	-	-	-	-	1,61,62,633	1,15,85,587	1,61,62,633	1,15,85,587
Other Expenses	TSL	-	-	-	-	-	1,58,73,630	-	1,58,73,630
Loans and advances given to related parties	TSL	-	-	-	-	8,93,24,805	13,76,83,164	8,93,24,805	13,76,83,164
Other Expenses	TCSPL	-	-	26,500	13,324	-	-	26,500	13,324
<b>Balances outstanding as at the year end:</b>									
Loans and advances from related party	TSL	36,64,52,580	21,35,45,787	-	-	-	-	36,64,52,580	21,35,45,787
Investment in Controlled Special Purpose Entity	TLSA	-	-	-	-	3,80,08,808	3,80,08,808	3,80,08,808	3,80,08,808
Loans and advances to related party	TLSA	-	-	-	-	13,75,48,842	16,40,42,381	13,75,48,842	16,40,42,381
Loans and advances to related party	TCSPL	-	-	40,074	33,524	-	-	40,074	33,524

No amount has been written off or written back during the year in respect of debts due from or to Related Parties.

**20. Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016**

Particulars	Other descriptive notes	Total
Closing stock in hand as on 08.11.2016	-	-
Permitted receipts	-	-
Permitted payments	-	-
Amount deposited in Bank	-	-
Closing stock in hand as on 30.12.2016	-	-

**21. DUES TO MICRO AND SMALL ENTERPRISES**

There are no dues to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding micro and small enterprises has been determined to the best of our knowledge and belief.

**22. TAXES ON INCOME**

In view of the past losses incurred by the Company, no deferred tax asset has been considered in books of account. Considering that such deferred tax asset has not been recognized, the Company has also not recorded the timing differences.

**23. PREVIOUS YEAR'S FIGURES**

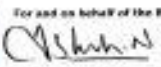
Previous year's figures have been re-grouped wherever necessary.

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

Signatures to Note Number 1 to 22 following the Companies Act, 2013

For Chartered Accountants  
 Firm Registration No. - 0084448  
  
 Chartered Accountant  
 Bangalore  
 Registration No. 337475



For and on behalf of the Board of Directors  
  
 Rajesh Kumar Noderamath  
 Director  
 DIN: 8055064

  
 Manish Gulherwal  
 Director  
 DIN: 0999961

Place: Bangalore  
 Date: June 14, 2017

Place: Bangalore  
 Date: June 14, 2017

**Note 1 & 2**

**1. Background of the company**

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

**2. Significant accounting policies**

**i. Basis for preparation of Accounts:**

The Financial Statements have been prepared on historical cost basis of accounting. The company adopts the accrual system of accounting and the financial statements conform with the generally accepted accounting principles prevailing in India and the relevant provisions of the Companies Act, 2013 and other relevant applicable provisions of Companies Act, 1956 .

**ii. Use of Estimates:**

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**iii. Taxes on Income**

- a. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for taxation for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.



- b. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**iv. Provisions, Contingent Liabilities and Contingent Assets :**

All known liabilities, wherever material, are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes on accounts.

A provision is recognized when an enterprise has present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**v. Earnings per Share**

In determining the earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

**vi. Preliminary expenses**

Preliminary expenses comprise of expenditure incurred in connection with the incorporation of the Company and the same will be written off over a period of 5 years.

**vii. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.



**viii. Borrowing Costs**

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

**ix. Revenue Recognition**

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

**x. Other Income:**

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

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

