TeamLease®
Putting India to Work

July 26, 2019

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

Dear Sir/Madam,

Sub: Nineteenth (19^{th}) Annual Report of TeamLease Services Limited (the Company) for the Financial Year 2018-19

Ref: Regulation 34 of SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 read with its Amendments

With reference to captioned subject, we wish to inform that the Nineteenth (19^{th}) Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, August 23, 2019 at 3:00 PM IST at Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka, India, to transact the businesses as set forth in the AGM Notice.

Pursuant to the provisions of Regulation 34 of SEBI LODR Regulations, 2015 read with its Amendments, please find enclosed the Annual Report of Nineteenth (19^{th}) AGM of the Company.

The Annual Report of Nineteenth (19^{th}) AGM of the Company has been uploaded on the website of the Company, the link for which is as below:
https://www.teamleasegroup.com/annual-report

Thanking You

Yours Faithfully
For **TeamLease Services Limited**

Alaka Chanda

TeamLease Services Ltd. Bangalore-560 095 TeamLease Putting India to Work

Alaka Chanda
Company Secretary and Compliance Officer
Encl: As Above

PUTTING INDIA
TO WORK

TeamLease Services Limited

Annual Report **2018-19**

CONTENTS

Corporate Overview

Statutory Reports

Financial Statements

You can also find this report online on:
www.teamleasegroup.com

Forward looking statement

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

With India establishing its credentials as the world's fastest expanding economy, it can be safely assumed that the nation's workforce has had a role to play in it.

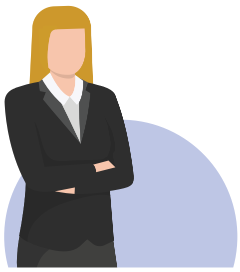
At TeamLease, we engage in inspiring & developing people who go on to script winning results for their employers and thereby benefit the country as a whole. With our competency in providing staffing solutions by attracting the best talents and placing them as per their capacities and skills, we have redefined the industry and made a difference to the workforce that propels India.

WITH A DEFINITE SHIFT NOTICED TOWARDS TECHNOLOGICAL ADVANCEMENTS, WE HAVE DEPLOYED SMART SOLUTIONS AND OTHER DIGITAL TRENDS TO SUCCESSFULLY PUT INDIA **TO WORK.**

ABOUT TEAMLEASE

TeamLease Services is one of India's leading human resource companies offering a range of solutions to 3500+ employers for their hiring, productivity and scale requirements.

A Fortune India 500 company listed on the NSE & BSE, TeamLease has hired 17 lakh people over the last 17 years and has 2 lakh+ open jobs every day. One of India's fastest growing employers, TeamLease also operates India's first Vocational University and fastest growing PPP National Apprenticeship Program. The company offers solutions to large, medium and small clients across the 3Es of Employment (1.5 lakh+ associates), Employability (2 lakh+ students/trainees) and Ease-of-doing Business (55,000+ compliances).



Employment

General Staffing

TeamLease Services Limited

Specialised Staffing

TeamLease Digital Private Limited

Evolve Technologies Private Limited

Hiring-Temporary/Permanent

Freshersworld

TeamLease Services Limited

Employability

On-the-job Learning

NETAP

Online Learning

Schoolguru

Onsite Learning

Enterprise Learning Services

On Campus Learning

TeamLease Skills University(TLSU)

Ease of Doing Business

Compliance Services

Payroll Outsourcing

Digital Workforce Solutions

Avantis RegTech

Our business approach

Our focus is to create long-term value for our stakeholders - clients, candidates, employees and shareholders. Our transparent and efficient governing infrastructure provides the framework for a compliant and resilient growth strategy. Our knowledge driven expertise across sectors combined with our operational excellence puts us in a favorable position to enhance customer value.

Our presence

Present in all 29 states with a network of partnerships

Our Offices

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

~2,16,211

NUMBER OF ASSOCIATES / TRAINEES AS ON 31ST MARCH 2019

17 LAKH+

NUMBER JOBS OFFERED TILL FY19

3,500+

LIVE CLIENTS

6%

OUR MARKET SHARE IN THE STAFFING INDUSTRY

7000+

LOCATIONS IN INDIA

CHAIRMAN'S LETTER TO SHAREHOLDERS

"RAISING INDIA'S PRODUCTIVITY DEPENDS ON FORMALISATION, FINANCIALISATION, URBANISATION, INDUSTRIALISATION AND HUMAN CAPITAL AND CURRENT POLICY PRESCRIPTIONS MOVE US IN THE RIGHT DIRECTION."

Dear Shareholders,

2019 is an important year because it marks when broader policy discourse began to shift and acknowledge that wages are a bigger problem than jobs. This shift in focus to productivity - almost 75 years after Political Independence and 25 years of Economic Independence – puts the Indian economy firmly on the trajectory of a $5 trillion economy and will offer unique opportunities for TeamLease to continue its growth.

In 1965 Professor Milton Friedman warned India that the Mahalanobis economic model being adopted "threatens an inefficient use of capital by combining it with too little labour at one extreme and an inefficient use of labour by combining it with too little capital at the other extreme". He was unfortunately right; India's poverty continues because too many Indians live in low-productivity geographies (Karnataka has the same GDP as UP with less than a third of the people), toil in low-productivity sectors (agriculture employs 50% of our labour force but only generates 15% of GDP; IT employs 0.7% and generates 7%), work in low-productivity firms (only 19,500 of our 6.3 crore enterprises have a paid-up capital of more than ₹ 10 crore), or have low quality skills (this year the bottom 10% engineers will get less starting salaries than the top 10% ITI graduates). Raising India's productivity depends on formalisation, financialisation, urbanisation, indus-trialisation and human capital and current policy prescriptions move us in the right direction.

"AS MENTIONED LAST YEAR, OUR LONG-TERM GOAL OF MARGIN EXPANSION IS CONTINUOUSLY MONITORED THROUGH THE LENS OF SCALE, ADJACENCIES, HIGHER UNIT REALISATION, PRODUCTIVITY, AND DIGITISATION."

Besides India's continued transformation, TeamLease is interestingly positioned to leverage ongoing reinventions to the World of Work, World of Organisations, and World of Learning that are hard to predict. But it is clear that employment is shifting from being a lifetime contract to a taxi-cab relationships, organisations think of their staffing in terms of multiple concentric circles with a small core, and unemployability seems to be a larger challenge than unemployment. The long-term and second-order consequences of all these changes are hard to model but the hard policy boundaries between the 3Es of education, employability and employment will continue to blur.

Over the last year we continue to tighten the product and organisational focus on our three clusters. Our strategy in employment is scale, making clients happy, adding specialised capabilities, and improving our hiring abilities. Our strategy in employability is offering multi-modal delivery (on-campus, on-site, on-line, and on-the-job) with qualification modularity (certificate, diploma, advanced diploma, and degree) with high employment connectivity to our corporate and university customers. Our strategy in EODB is to offer DIY (Do-it-yourself) and DFM (Do-it-for-me) solutions for Payroll, HR, Field Force and Compliance. All our businesses continue to confront regulatory constraints on full potential but we continue to make the case for change as providers of "Infrastructure of Opportunity".

As mentioned last year, our long-term goal of margin expansion is continuously monitored through the lens of scale, adjacencies, higher unit realisation, productivity, and digitisation. We expect continued progress in these areas with our pipeline of projects. We continue to review acquisition opportunities for clients, products or adjacencies but our preference is always for capital frugal organic growth.

While we expect these acquisitions to contribute to our financials in the coming year, our revenue for the year recorded a healthy growth of 23% and our profits before tax grew by 33% from ₹ 72.5 crores in 2017-18 to ₹ 96.4 crores in current year. We also saw an improvement in our PAT margin to 2.2% in current year as compared to 2.0% in 2017-18. Our EPS improved from ₹ 43 in 2017-18 to ₹ 57.3 in the current fiscal.

Historian Ramachandra Guha reminds us that India has created the world's largest democracy on the infertile soil of the world's most hierarchical society. But we did we not create the world's largest economy because of policies that made India a hostile habitat for formal job creation. The tide is now turning and TeamLease is well positioned to offer formal employers the solutions they need and seek in hiring, productivity and scale.

Wish us Luck.

Manish Mahendra Sabharwal

Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I am glad to present to you the annual report of TeamLease Services for the Financial Year 2018-19.

During the year, India emerged as the fastest growing economy of the world with the GDP reaching a rate of 6.8%. We witnessed a favorable employment environment with a number of opportunities paving the way for staffing industry to put up a commendable performance across all sectors. With the economy growing and the demand for talent optimisation soaring high, the industry clocked positive growth.

The reason Organised Staffing is becoming an important enabler for a business is multifold:

- **Scalability** - This is critical for organisations when it comes to expanding and launching new products, solutions or services
- **Compliance** - Given the spread of operations, client feel at ease knowing that the organised Staffing agencies would keep them compliant at all times
- **Reach** - TeamLease alone has associates deployed in over 7000 locations. The ability to have access to this kind of reach, whether it is for seamless operations or for hiring becomes invaluable for organisations
- **Productivity** - This is becoming a critical aspect of what is drawing many organisations towards a staffing company. The way digital solutions are being leveraged to make their current employee supplementation process more productive is a critical draw.

By the law of the land all companies who engage with staffing companies continues to be the Principal Employer and hence ultimately liable for all compliance towards the temporary workers. This responsibility is what drives them to work with credible and reliable staffing organisations who shall keep them protected.

With our vision of the 3E's i.e. Employment, Employability and EODB, we have been able to capitalise on opportunities and chart our growth trajectory. This year, we delivered a robust performance through our revenue from operations which grew by 23% YoY to ₹ 4,447.60 cr and PAT of ₹ 98.03 cr reflecting YoY growth of 34%.

IT, manufacturing, retail, banking, financial services and insurance (BFSI), logistics, ecommerce and fast-moving consumer goods (FMCG) will continue to be the key growth drivers for TeamLease and industry in general.

We had crossed the milestones of 150,000 associates in Employment cluster, 200,000 students / trainees in Employability cluster and overall ₹ 4,447.60 crore in revenue for the year. Through optimising, digitising, automating processes and deploying new technologies, we aim to improve the productivity and experience for both client and candidate. Our core employee to associate ratio improved from 220 to 270 during the year and continues to scale up.

Our offerings portfolio has been further strengthened through the acquisition of Avantis during the year. Avantis is a regulatory technology company that offers high tech multi-user SAAS solutions and enables transparency and efficiency in the compliance procedure. Its legal and compliance database comprises of over 1,200 Acts while nearly 55,000 Compliances are updated on a real time basis every year.

I would hereby like to sincerely thank all our stakeholders for their trust and continued support for the Company.

Regards,

Ashok Reddy
Managing Director

Q&A WITH CFO

How has the balance sheet grown for the year under review?

We delivered a robust financial performance and witnessed an increase of ₹ 203.49 cr in our assets and liabilities during the year. This increase was largely backed by profit of ₹ 98 cr earned during the year. Further, unbilled revenue/salary payable and increase in employee benefit liabilities / assets by ₹ 55 cr and ₹ 28 cr respectively resulted in increase in assets and liabilities during the year. In addition to this, recognition of asset and liabilities amounting to ₹ 10 cr on account of PF revision also contributed to the growth. Further, 100% Consolidation of Cassius Technologies Private Limited (Fresher's World) during the year contributed to the growth of assets and liabilities to the extent of ₹ 10 cr.

What was the core employee cost for FY19 and how has it been trending over the years?

Our core employee cost for FY19 stands at ₹ 107 cr which typically increases 12%-15% year-on-year, contributed by both annual increments and headcount growth. In FY19, they have slightly increased on account of full consolidation of Evolve (₹ 3.1 cr) and Freshersworld (₹ 3.1 cr). However, in staffing business which contributes to 90% of revenues, the core employee headcount has remained flat over past couple of years leading to an improvement in our productivity ratio from 220 to 270 in FY19.

What constitutes "Other Expenses" in the Statement of Profit and Loss during the year?

The other expenses largely represent direct expenses pertaining to skills business and telecom staffing business. The major factor that contributed to increase in the other expenses were direct cost of skills business and full year accounting of telecom staffing business.

The company's cash conversion ratio for the year was negative. Please explain the reason for the same.

During the year, we moved our Registered office from Mumbai (Maharashtra) to Bangalore (Karnataka) for operational convenience on account of which we experienced delay in procuring lower withholding tax certificates. As a result, we paid higher advance tax (in form of TDS) resulting in negative operating Cash Flow in FY19. However, our net cash flow conversion before tax continues to stands at ~75%.

The financials of the Company reflects the loan provided to subsidiaries and TLSU during FY19. What was the reason and purpose behind granting of loans?

At TeamLease, we use internal accruals to fund for working capital requirements of subsidiaries. All such loans are extended at arms-length pricing, repayable on demand at an interest of 9% per annum. As of 31st March 2019, total outstanding loan amounted to ~₹ 22 Cr (excluding TLEF which acts as a sponsoring body of TLSU).

TLSU was set up as a public-private-partnership with the government of Gujarat. One of the activities of TLSU is NETAP, the apprenticeship program that was launched a few years ago. From the time NETAP was launched, there has been a requirement of working capital since clients deduct a certain amount / % towards withholding taxes. TeamLease therefore, has funded the taxes that have been withheld from the university payouts and therefore, has a first right on all future IT refunds of TLSU, covering more than 80% of total loan outstanding. It is only recently that the university obtained a lower tax deduction certificate and we believe that no further funding for the university would be required.

How important is it for the company to develop its IT assets? What steps are taken for the same?

Continuous investment in our IT platform allows us to increase our efficiency and effectiveness and provide the necessary infrastructure for a comprehensive and coordinated response to the emergence of new technologies. At TeamLease, we have a dedicated innovation team that works on exploring how we can harness technology in new and better ways to deliver our services to our clients, associates, and candidates. For this purpose, we undertook development of various IT projects that are intended for internal use as well as commercialisation. This has brought about improvement in productivity and costs.

Ravi Vishwanath
Chief Financial Officer

EMPLOYMENT

At TeamLease, we realise the importance of securing a job of dignity in people's lives, striving to actively help our candidates in finding formal jobs and develop their skills. Our business model is creating a shift from the informal employment sector to the organised sector, whereby we ensure 100% compliance coupled with complete backend HR support for our outsourced employees.

Temporary Staffing

We assist our clients in meeting their regular or seasonal staffing requirements by providing contractual or temporary staffing services. In over a decade of our experience, we have emerged as one of India's largest temporary staffing Company with over 1000 temporary staffing clients.

1,50,000+

ASSOCIATE HEADCOUNT

IT Staffing

IT staffing is currently our largest specialised vertical and with our rich experience in the staffing industry, we are committed to growing this further by enhancing our skills and recruitment capabilities.

2,000+

ASSOCIATE HEADCOUNT

Telecom Staffing

Evolve, now a TeamLease digital subsidiary, is a market leader for more than two decades in offering telecom staffing solutions across India. Post our acquisition in 2017, Evolve continues to facilitate staffing requirements across the telecom sector value-chain. Our recruitment services for the sector includes:

- Man power augmentation
- Telecom Integration
- Services Level Agreement (SLA) based services

3,800+

ASSOCIATE HEADCOUNT

Hiring

One of the major steps towards our vision of achieving employability for all was the acquisition of Freshersworld job portal. Deemed as a top site for entry-level hiring in India, it enhances the possibility of growth with nearly 4 million unique visits every month. With a database of over 1.5+ crore resumes, it offers fresh recruitment solutions to over 60,000 recruiters and is present in colleges across 100+ cities in India. The acquisition of this portal has helped us in building a digital platform that shall aid us in meeting our hiring needs. It has significantly helped us in expanding our database and has led to an increase in the number of candidates coming from Freshersworld to meet our requirements at TeamLease.

We began with an acquisition of a 30% equity stake in Freshersworld in June 2017 (with a provision to acquire more in the coming years) we have built and designed the technology roadmap for the Company. We believe that, this technology road map will provide a boost to our hiring services and provide us access to the database that shall complement not just our hiring process but can also be utilised by our recruitment team.

During the year, we further acquired a 21% stake, taking our total share of acquisition to 51%. With this acquisition, we aim to create a foothold in enhanced product offerings in building databases, online job matching, assessments and background verification.

Through this portal, we provide hiring services to the freshers in the country. We have a shared vision to develop innovative capabilities and deliver value to job seekers and employers by bringing labour supply closer to the demand. Also, with our ability to understand the client's talent requirement, we provide them with the right solutions in order to help them find the appropriate candidate and enable our clients to concentrate on their core management activities. Further, with the increased penetration of internet use and mobile phones in India, digital, social and mobile-based hiring solutions have become cost-effective and efficient and has made our job easier.

10

VERNACULAR LANGUAGES SUPPORTED

END-TO-END ON MOBILE APP

CONSISTING OF SHORTLISTING, INTERVIEWS, ASSESSMENTS, BGV, OL, ROLLOUT

Growth drivers

GST

The introduction of GST is expected to strengthen the organised staffing sector by expediting formalisation

Government reforms

The growing impetus towards improving employability quotient with correct mapping for employment contributes to more formalisation of our workforce.

Population growth

According to United Nations Population Fund 67% of the country's 1.36 billion population is in the age of 15-64 years

Addressable market

In a recent report by Economic Survey 2018-19, almost 93% the total workforce available in the country is informal. The informal workers are also devoid of legal protection and social security, reinforcing the growing need for a formal workforce[1]

Need for skilled youth

There is an increasing demand for skilled labour in formal as well as informal sectors

Simplification of Labour Laws

The 44 labour laws are proposed to be merged into 4 labour codes namely wages, social security, industrial safety & welfare, and industrial relations is a welcome change to streamline the compliances and empower the workforce with transparent benefits. The revised legislative structure aims to facilitate the concept of 'Ease of Doing Business' in India.[2]

TeamLease positioning in staffing business

Scale

- India's 1st public listed business services company
- Over 6% market share of staffing industry in India
- Over 2,15,000 + employees/trainees
- Over 2,00,000 salaries processed through NEFT Banking channels per month
- Over 7,000 client invoices processed per month
- Centralised operations supported by over 750 + core employees

Reach

- Hired a person every 5 minutes since inception
- Serving clients over 67+ industries
- Pan-India presence
- Access to database of over 17,00,000+ alumni and 1,00,00,000+ job-seekers
- Online presence with Freshersworld, SchoolGuru

Compliance

- 100% adherence to Labour Laws
- One of the largest PF contributors –PF remitted for over 1,45,000+ people per month
- 1,40,000+ ESIC and 80,000 + Professional Tax remitted every month
- Over 1,00,000+ associates covered under Group Medical and Accidental Insurance Plans
- Winner of Samman Patra from the Service Tax Department

Productivity

- End-to-end process automation
- BOTS for transaction processing
- TeamLease Connect – India's first HR Mobile App
- Digital Workforce Solutions : Attendance Management, Expense Management, Assessment Management, Performance Management, Learning Management, Asset Management, Fleet Management

Our services

Value created

Financial Capital

- Total revenue ₹ **4,465.70** cr
- EBIDTA ₹ **94.1** cr

Manufactured Capital

- ₹ **10.73** cr net block
- ₹ **192** cr
  Investments made in inorganic acquisition in last three years

Human Capital

- **1,687**
  Permanent Employees
- **32 Years**
  Average age of employees

Intellectual Capital

- Market Leaders in staffing industry
- An innovative business model which is at the intersection of Employment, Employability and Ease of Doing Business

[1]https://www.businesstoday.in/sectors/jobs/labour-law-reforms-no-one-knows-actual-size-india-informal-workforce-not-even-govt/story/364361.html

[2]https://economictimes.indiatimes.com/news/economy/policy/govt-planning-new-labour-legislation-by-merging-44-laws-under-4-categories/articleshow/69744758.cms

EMPLOYABILITY

The first step towards providing optimum job solutions requires a thorough understanding of the candidate pool's aptitude and the capabilities they possess. Our blended learning approach with 4 campus offerings helps in employability skills of the job seekers.

The industry gap

India's workforce is estimated to reach 550 million by 2022, up from present 473 million[3]. Against this backdrop, less than 5% of total workforce in the country has received formal skilled training as against 68% in UK, 75% in Germany, 80% in Japan and 96% in South Korea. The skill gap plays a vital role in rendering large section of population unemployable, leading to the rising unemployment in the country. Lack of formal vocational training, coupled with huge rural population, creates larger unseen problems for the Indian economy.

One of the major challenges for effective implementation of vocational training programmes is lack of awareness around the numerous government initiatives focused on enhancing skill development. In the rural areas, people are not aware of benefits that vocational training can have on an individual. Of the total youth population in India, 70% of the youth are not aware of the government's skill development initiatives.[4]

Obstacles

- The number of higher education providers in India is a sharp contrast to the limited number of institutions providing quality education.
- Most of the students are facing unemployment due to a lack of skills and aptitude required by the employers in the corporate sector.
- Universities and educational institutions have been unable to update their syllabus in line with the rapid changes taking place in the technological world.

The TeamLease edge

A gap exists between the proper grooming of students for jobs and the availability of industry-academic interactions, which is a pre-requisite for students to understand the job specific criteria. At TeamLease we emphasise on enhancing the vocational skills of candidates and help them secure jobs, which in turn stimulates the employment rate in the country. We help employees to find suitable new employment, through our four strategic platforms:

- On the job
- On site
- Online
- On Campus

On-the-Job

National Employability Through Apprenticeship Program (NETAP)

NETAP is a public-private partnership under the Ministry of Skill Development & Entrepreneurship, TeamLease Skills University, Confederation of Indian Industry (CII) and National Skill Development Corporation (NSDC) under the National Employability Enhancement Mission of the Ministry of Human Resource Development (HRD) (AICTE).

Through NETAP, we help the country's unemployed youth in upgrading their skills by 'learning by doing' and 'learning while earning', which provides them with a chance to access practical skills. The program helps to address the challenges present in The Apprenticeship Act, 1961.

200+

DIPLOMAS

On Campus

150+

DEGREE COURSES OFFERED

6

STATES WE ARE PRESENT

[3] https://economictimes.indiatimes.com/jobs/government-private-partnership-can-provide-high-paying-jobs-for-indians/articleshow/67633607.cms?from=mdr

[4] https://ruralmarketing.in/industry/education/how-marketing-campaigns-boost-vocational-training-in-rural-india

Onsite & Campus

TeamLease Skills University (TLSU)

At our skills university, we work towards increasing the productivity of the workforce productivity with a view to bridge any probable gaps in the education system by providing, vocational, technical and professional training to the candidates. TLSU is India's first vocational university and is different from traditional university in several ways. Its distinctive features includes:

- Strong governance, courses and pedagogy
- On-campus, On-line, On-site and On-the-job classroom training
- Four different qualifications – certificates, diplomas, advanced diplomas and degrees

TLSU is among the only university in India that promotes apprenticeships with learning-by-doing and learning-while-earning model. With an approach to building skills, the university addresses the issues of underemployment and unemployability issues that define the future of the country.

We offer customised IT and Soft Skills training and certifications to individuals as well as corporates. This helps the candidates in getting job placements and promotes the growth of their career besides generating overall employment opportunities in the country. In last five years of our existence, TLSU has reached financial sustainability.

Goals of TLSU

Credit framework: Courses are designed based on industrial inputs and in parity with similar courses of other Universities, if relevant. The individual courses are assigned credit weight. Credit is a representation of a fixed amount of study hours devoted to various aspects of curriculum: attending lecture sessions; doing practical work; undergoing on-job-training; participation in online learning; participation in seminars; etc.

Upward mobility and degree connectivity: The University offers degree connectivity to students having 10+2 from any Higher Secondary board of education as well as to candidates having 10+2 year ITI in relevant trade.

Continuous learning for professionals: In order to ensure continuous learning the University has prescribed that the student performance be assessed continuously over the duration of the semester.

	FY19
OnCampus	630
OnJobTraining	56,000
OnLine	1,00,000
OnSite(ELS+ILS)	44,000

Online

Schoolguru

A new-age online learning company that partners with universities to help them provide online and virtual learning courses for their students. Its unique curriculum is revolutionising the Open and Distance Learning (ODL) methodology of higher education for students. Post strategic investment by TeamLease, Schoolguru's business model steps up the employability and skill development quotient.

EASE OF DOING BUSINESS

Governed by the important index of 'Ease of doing Business', we at TeamLease seek to alleviate constraints that pose a burden on the functioning of the business. which are largely around payroll compliance and other HR services.

Among 190 economies in the world, India is ranked 77th in the World Bank's Ease of Doing Business Rankings in FY2018, 23 places up from its rank in FY2017. This has been achieved on account of several notable changes in government regulations in terms of reduction of construction permits, improved access to electricity, recovery in credits, improvements in cross border trading and reduction in procedures for commencement of business.

Ease of doing business is our roadmap towards our vision of achieving a paperless and cashless economy which is not only an important step towards Government's Digital India program but is also a massive step towards the simplification of a rigid compliance environment. During the year, we undertook measures in order to move forward to our vision through:

Payroll Outsourcing

Our payroll processing services have been designed to account to cater specific needs of our customers that are required to manage payroll of their on-roll employees. We currently have 27,000 records for which the entire payroll cycle is managed for 100+ clients.

Compliance Outsourcing

We currently cater to 400+ clients with compliance services. We offer our clients with compliance consultancy services for labour laws. We provide consultancy for labor and staffing compliances,as well as other corporate and legal compliances centered around labour laws.

Digital Workforce Solution

With the emergence of new technologies such as AI, big data, analytics and robotics, connected workforce has started gaining prominence. The HR and recruitment service industry, which is an important part of HR ecosystem, saw the impact of going digital much before the HR functions within organisations. This promoted the use of intelligent technologies, automation tools,design thinking, digital learning and assessment solutions to get an organisation's workforce ready for the future. We have developed tools which help clients to track and improve productivity of employees,currently we have 30,000+ employees covered on our DWS tools.

Acquisition of Avantis

With India's regulatory & statutory universe remaining complex, lack of institutionalised compliance capability becomes a key constraint in driving business operations. Avantis RegTech integrated platform addresses this concern, where it reduces the burdensome compliance with a staggering number of 1200 Acts in the Indian regulation system, simplifies filings and enables digitisation. With a wide market opportunity, our acquisition of AvantisRegTech aligns with our vision of 'Ease of Doing business'. This acquisition further helps us to restructure the regulatory system for seamless compliance and improved labour force participation in the organised sector. It provides a boost to the rising digital economy in the country and brings about transparency and authenticity in the compliance procedures. The major reason behind the emergence of RegTech platforms are:

- Poor knowledge of applicable compliances such as Reactive, Manual or Paper based, leads to poor regulatory checks and controls
- Insufficient, inaccurate and delayed information resulting in poor decision making, penalties and litigation.
- Inability to track the applicable regulatory and statutory changes and unavailability of enterprise software options to enable digital compliance management.
- Difficulty in identifying accountability or non/poor compliance.

Post this acquisition, we would be able to derive the following synergies:

- Expansion into new geographies, strengthening of our existing technologies and exploring new forms of delivery.
- The rich expertise of Avantis in Governance, Risk and Compliance automation has helped hundreds of organisations migrate from manual and people dependent processes to automated, framework based solutions.
- Credibility across large enterprises and SMEs with implementations across the country with quick and easy on-boarding and a Mobile App based Compliance tracking and management.
- Over 1200 Acts and over 55,000 compliances in India covered under SAAS (Software as a Service) Platform
- Strong compliance assessment and research capabilities lead to cutting edge technologies such as Artificial Intelligence, Machine Learning and OCR.

Key Acquisition Highlights

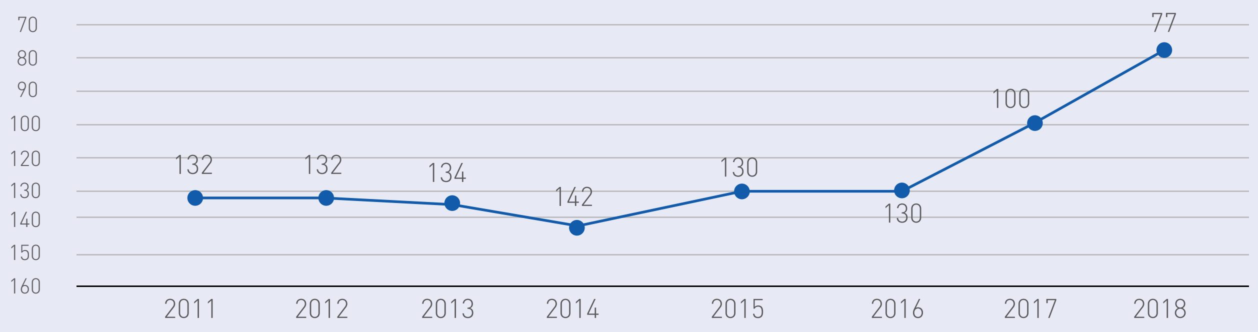
6
COMPLIANCE CATEGORIES

15
CHANGES PER DAY

3069
RETURNS PER YEAR

55,000+
COMPLIANCES CARRIED OUT PER MONTH

Ease of Doing Business Rankings



OUR CORE CAPABILITIES

Our core values guide our behavior and represent the foundation of our culture. They help us develop, grow and serve our clients, candidates and other stakeholders.

Market share

We are one of the largest organised staffing solution providers with a market share of ~6%. Although we face intense competition from domestic peers and global companies present in India, we have posted a robust growth of 23% in our revenue and 19% in our associate/trainee base over the last year.

Governance

Our transparent and efficient governing infrastructure guides us in the implementation of our strategies and creates further value for our stakeholders. Our strict adherence to labour and corporate laws, strong internal compliances and a dedicated legal team differentiates us from others.

Technology

Our right choice of technology and data insights helps us in enhancing our operational efficiencies. Our continued efforts towards technological upgradation have helped us identify human resources that suit our diverse client requirements.

6%

MARKET SHARE AS ON 31ST MARCH 2019

90%+

RENEWAL RATE WITH OUR CLIENTS YOY

270

ASSOCIATES/TRAINEES HANDLED BY 1 CORE EMPLOYEE

Presence

We possess cutting edge technology platforms and processes that facilitate in expanding our operations across the country and allow us to ramp up our business by increasing trust and reliability of our clients.

Team

We operate in a performance-driven culture, which is fundamental to our sustained operational performance Our team has always delivered efficient, effective and scalable results in each of our new service offerings to our clients, leading to customer satisfaction.

Client portfolio

We are a market leader in the organised staffing solutions industry and our client portfolio comprises of several Fortune 500 companies as well as fast growing small and medium-sized enterprises (SMEs).

7000+

LOCATIONS ACROSS INDIA AS ON 31ST MARCH 2019

1687

CORE EMPLOYEES PRESENT AS ON 31ST MARCH 2019

3500+

CLIENT BASE AS ON 31ST MARCH 2019

TECHNOLOGY @ TL

Over the past few years, TeamLease has been transforming itself from a traditional staffing company to a data-driven staffing solutions provider.

We have incorporated technology in our operations, primarily human resource, thereby, delivering a truly human experience that is relevant to our candidates, clients, and employees. With the technology as a driver, we are leveraging our operational excellence to provide a wide-range of tailor-made solutions and helping our clients, candidate and employees access to digital solutions enabling them to realise their true potential.

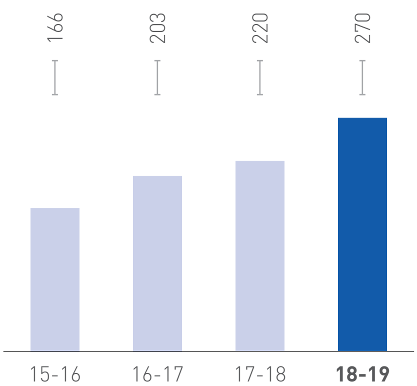
Through these technologies we facilitate automation in the entire life cycle of an employee. The tool covers right from onboarding of an employee to query resolution management, enabling seamless and timely access to relevant information in simplified manner. Further, our portal and app, are easily accessible on multiple platforms, providing one-stop solution for all employment related needs of our associates and clients. In addition, we also provide Digital workforce solutions for easier management and control of employee costs, E-onboarding, exit, productivity and compliance requirements.

At TeamLease we are continuously investing in strengthening our technology infrastructure to stay relevant in a dynamic environment. We have developed our own portals and platforms for multiple business functions to derive higher efficiency levels.

We intend to continue to innovate through technology and processes to keep improving the productivity ratio and the roadmap of our operations. The technology team continues to upgrade the existing modes of innovation to garner better productivity and amplify the levels of innovation.

Own developed technology: Apart from the existing platforms like ALCS and RLCS; we are also developing our own technology for payroll, with the perspective, that the entire SaaS technology platform will fall into place. We expect to roll this out by the fourth quarter of FY 2020. Our technology team remains committed to develop tools that help us enhance client and candidate experience with improved productivity and efficiency levels across the organisation.

Productivity Improvement



TeamLease Connect – A one-touch solution

As a part of our shift towards Digitisation, we have developed TeamLease Connect, a mobile application that provides the power of scalability and acts a window to all the details required by our clients and associates. The app facilitates E-onboarding of the associates and acts as an easiest mode of uploading and downloading documents regarding personal and payroll details of the associates.

For the company associates, the app provides access to their personal information such as bank account details, address, date of joining, family members' profile etc. which can be viewed and altered when required. Further, it also provides updates on their payroll related data including CTC, salary paid or payable every month, ESIC and PF Information, Reimbursement and Salary Release Alerts as well as updates on attendance, leave, transfer, pension, insurance, EPF etc.

Besides this, the application is equally beneficial for our clients as it enables them to have access to the invoice details, PDC information, banking details and other compliance related details. In addition, TL Connect provides access to the hotline number of the company which further helps associates and clients to connect to the customer care department for resolution of their queries.

Key features

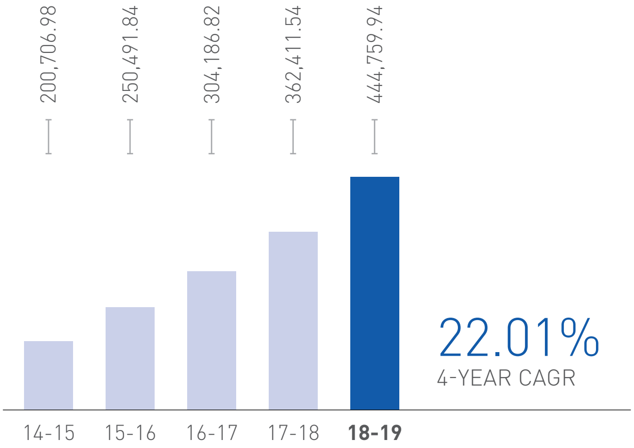
- Information at fingertips
- Faster approvals and simplified workflows
- Cutting-edge technology to accommodate adhoc requests
- Flexibility and convenience to update personal information
- View profiles of associates with ease
- Easy problem solving with hotline access

TL Connect App downloads

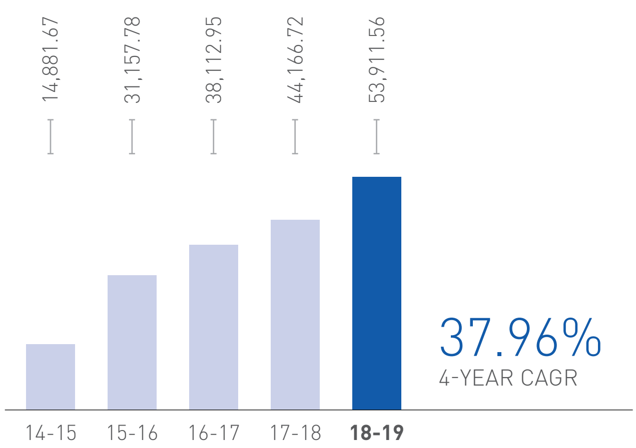
As on 31-03-2018	As on 31-03-2019
1,29,956	1,83,421

PERFORMANCE HIGHLIGHTS

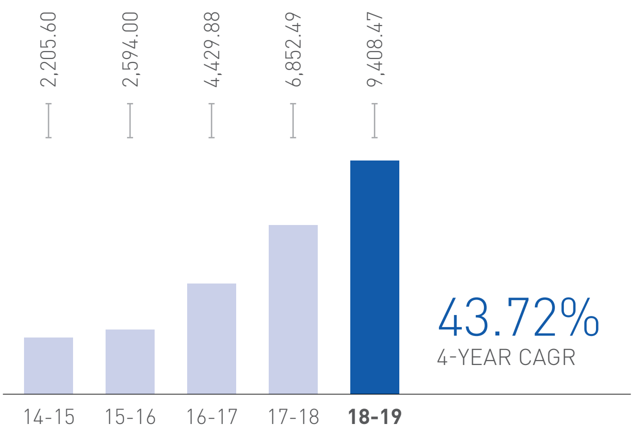
Revenue
(₹ in lakhs)



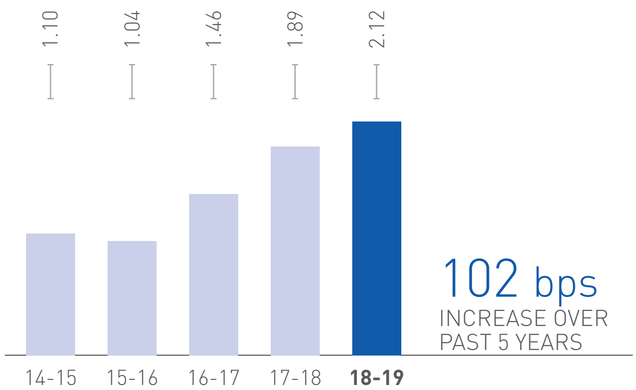
Return on Net Worth
(₹ in lakhs)



EBITDA
(₹ in lakhs)



EBITDA margin
(%)



BOARD OF DIRECTORS

Manish Mahendra Sabharwal

He is a co-founder and the Executive Chairman of our Company. He holds a bachelor's degree in commerce from the Shri Ram College of Commerce, Delhi University and master's degree in management from The Wharton School, University of Pennsylvania. He provides leadership at the Board level and sets our strategies and directions. He is also our chief external spokesperson. In 1996 he co-founded India Life Pension Services Limited, a payroll and pension services company that was acquired by Hewitt associates in 2002. He also serves on various state and central government committees on education, employment and employability. He is currently a nominated member of the Central Advisory Board of Education – the highest advisory body to advise the Central and State Governments in the field of education. Additionally, he serves on the executive committee of the chief minister's advisory council, planning department of the Government of Rajasthan. He is also part of the expert committee on innovation (Niti Aayog). He is also a part time non-official director on RBI's Central Board, appointed for a 4-year term w.e.f. February 09, 2017.

Ashok Reddy

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

Latika Pradhan

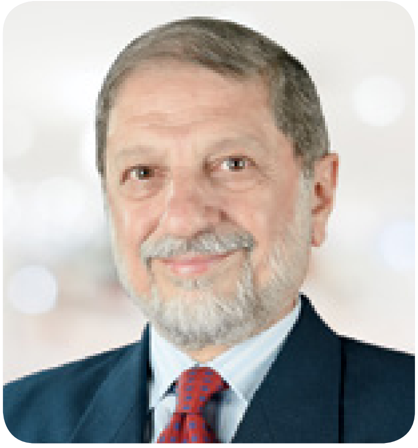
She is an Independent Director of our Company. She is a qualified chartered accountant, cost and management accountant, company secretary and bachelor of laws, with an experience spanning over 35 years in various industries, heading finance, legal and secretarial, internal audit and information technology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

Narayan Ramachandran

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

V. Raghunathan

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



Zarir Batliwala

He is an Independent Director of our Company. He is a Bachelor in Law and a senior Fellow Member of the Institute of Company Secretaries of India. He brings with him 45 + years of rich corporate experience at senior leadership level with functional experience in legal and human resource management, with a strong exposure to business and leadership and organisational development. Mr. Batliwala has been associated with various organisations like Mahindra & Mahindra Group of Companies, Britannia Industries Limited, Hewlett-Packard, and the like, heading human resources, legal and secretarial functions. Between 2010 and 2014, he acted as a consultant to us, as head of the human resources function. Currently, he is an Independent People Practices consultant, focusing on organisational structure, performance management systems and workplace culture. He has been an Independent Director of our Company since March 29, 2019.

CORPORATE INFORMATION

Board Committees, Bankers and Auditors

Audit Committee

Latika Pradhan, Chairperson
Narayan Ramachandran, Member
V Raghunathan, Member

Nomination and Remuneration Committee

Narayan Ramachandran, Chairman
Latika Pradhan, Member
V Raghunathan, Member
Zarir Batliwala, Member

Stakeholders Relationship Committee

V Raghunathan, Chairman
Ashok Reddy, Member
Manish Mahendra Sabhrawal, Member

Corporate Social Responsibility Committee

V. Raghunathan, Chairman
Manish Mahendra Sabharwal, Member
Ashok Reddy, Member

Risk Management Committee

Ashok Reddy, Chairman
Manish Mahendra Sabharwal, Member
Latika Pradhan, Member

Chief Financial Officer

N. Ravi Vishwanath

Company Secretary

C. Mruthunjaya Murthy
(upto May 31, 2018)

Alaka Chanda
(w.e.f. October 30, 2018)

Statutory Auditors

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

Internal Auditors

Grant Thornton India LLP
Chartered Accountants
65/02, Bagmane Tridib, Block A
Bagmane Tech Park, C V Raman Nagar
Bengaluru 560 093, Karnataka, India

Bankers

Axis Bank Limited
Bank of India
Citi Bank
Federal Bank
HDFC Bank
IDBI Bank
IndusInd Bank
Kotak Mahindra Bank
State Bank of India
ICICI Bank Limited
Yes Bank
CSB Bank

Shares are listed with

National Stock Exchange of India Limited
BSE Limited

Registrar and Transfer Agents

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

Registered office

6th Floor, BMTC Commercial Complex
80 Feet Road, Kormangala
Bengaluru 560 095
Karnataka, India
Tel: + 91 80-6824 3000,
Fax: + 91 80 80-6824 3001
Website: www.teamleasegroup.com
Corporate Identity Number:
L74140KA2000PLC118395

Corporate office

6th Floor, BMTC Commercial Complex
80 Feet Road, Kormangala
Bengaluru 560 095
Karnataka, India
Tel: + 91 80-6824 3000,
Fax: + 91 80 80-6824 3001

Branch offices

Ahmedabad
Delhi
Pune
Kolkata
Mumbai
Hyderabad
Chennai
Gurugram
Kochi
Lucknow
Vadodra

BOARD'S REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting the Nineteenth (19th) Annual Report of your Company (TeamLease Services Limited/ TeamLease) on business and operations of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report for the year ended March 31, 2019. Consolidated performances of the Company, its subsidiaries and associate companies have been referred to wherever required.

1. Corporate Overview

The Company was incorporated in 2000 and has thereafter transformed to being one of the leading human resource service companies in the organized segment. A Fortune India 500 Company listed on BSE Limited and National Stock Exchange of India Limited since 2016, has its corporate headquarters at Bangalore.

2. Financial Summary and Highlights

A summary of the Company's financial results for the Financial Year 2018-19 is as under:

₹ in Lakhs

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	4,44,759.95	362,411.54	4,13,246.85	344,074.08
Other Income	1,806.20	1,563.39	2,946.11	2,438.05
Total Income	**4,46,566.15**	**363,974.93**	**4,16,192.96**	**346,512.13**
Profit before finance cost, depreciation, amortisation and taxes	11,251.12	8,441.62	10,247.12	7,545.42
Depreciation and Amortisation	1,051.11	915.84	303.93	372.34
Profit before Finance Cost and Taxes	10,200.01	7,525.78	9,943.19	7,173.08
Finance Cost	522.44	246.67	206.67	110.22
Profit before share of profit/(loss) from associates	**9,677.57**	**7,279.11**	**9,736.52**	**7,062.86**
Share of (loss)/ profit from associates	(36.44)	(25.74)	NA	NA
Profit before tax	**9,641.13**	**7,253.37**	**9,736.52**	**7,062.86**
Income Tax (credit)/expense	(161.86)	(92.22)	34.57	(192.84)
Net Profit for the year	**9,802.99**	**7,345.59**	**9,701.95**	**7,255.70**
Other Comprehensive Income/(Loss) for the year	23.34	23.06	6.45	18.90
Total Comprehensive Income for the year	**9,826.33**	**7,368.65**	**9,708.40**	**7,274.60**
Earnings Per Equity Share of ₹10 each: -Basic & Diluted (in ₹)	57.34	42.96	56.75	42.44

3. Standalone and Consolidated Financial Statements

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2019 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

4. Review of Business Operations and Future Prospects / State of Affairs

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

Standalone Operations

The Company`s revenue from operations for the year ended March 31, 2019 on a standalone basis increased to ₹4,13,246.85 lakhs from ₹344,074.08 lakhs during the previous year. The Company achieved an EBIDTA (including other income) of ₹10,247.12 lakhs during the current year as against the previous year EBIDTA (including other income) of ₹7,545.42 lakhs. The net profit after tax of the Company for the year ended March 31, 2019 was ₹9,701.95 lakhs as against the previous year profit after tax of ₹7255.70 lakhs.

Consolidated Operations

The Company`s revenue from operations for the year ended March 31, 2019 on a consolidated basis increased to ₹4,44,759.95 lakhs from ₹362,411.54 lakhs during the previous year. The Company achieved an EBIDTA (including other income) of ₹11,251.12 lakhs during the current year as against the previous year EBIDTA (including other income) of ₹8,441.62 lakhs. The net profit after tax of the Company for the year ended March 31, 2019 was ₹9802.99 lakhs as against the previous year profit after tax of ₹7345.59 lakhs.

Number of associate employees as on the date of close of financial year of the company was ~216,200 (including the NETAP trainees of~56,150) as against the previous year Associate employees of ~181,000 (including the NETAP trainees of ~43,000).

Your Directors express their satisfaction on the overall financial performance and the progress made on different areas by the Company during the year under review.

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

5. Dividend Distribution Policy

As per the provisions of Regulation 43A of SEBI Listing Obligations and Disclosure Requirements (LODR), Regulations 2015, the top 500 listed companies on the basis of market capitalization, shall formulate a Dividend Distribution Policy. Accordingly, the Dividend Distribution Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Policy is furnished herewith as Annexure I to the Board's Report and is also available on the Company's website at https://www.teamleasegroup.com/policy-documents

6. Dividend and Reserves

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

7. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

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

8. Subsidiaries, Joint Ventures and Associate Companies

Your Company has formulated a Policy for determining 'Material' Subsidiaries pursuant to the provisions of Regulation 16 of SEBI LODR Regulations, 2015. The said Policy is available on the Company's website https://www.teamleasegroup.com/policy-documents

The Company has Six direct and indirect subsidiaries, One Joint Venture, One Associate Company and One Public-Private Partnership as on March 31, 2019. There are no material subsidiaries of the Company for the Financial Year 2018-19.

The details of Subsidiaries, Joint Ventures, Associates and Public-Private Partnership are given below.

Subsidiaries:

1. IIJT Education Private Limited (IIJT)
2. TeamLease Education Foundation (TLEF)
3. TeamLease Digital Private Limited (TDPL)
4. Keystone Business Solutions Private Limited (Keystone)
5. Evolve Technologies & Services Private Limited (Evolve)
6. Cassius Technologies & Services Private Limited (Freshersworld)

Joint Venture

1. Avantis Regtech Private Limited (Avantis)

Associates

1. Schoolguru Eduserve Private Limited (Schoolguru)

Public-Private Partnership

1. TeamLease Skills University (TLSU)

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

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

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

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

3. **TeamLease Digital Private Limited** [Formerly known as TeamLease Staffing Services Private Limited] (TDPL) was incorporated under the provisions of Companies Act, 2013 for the purpose of entering into the IT staffing business. TDPL is wholly-owned subsidiary of your Company.

TeamLease has through its subsidiary TDPL, acquired the IT Staffing vertical, of E Centric Solutions Private Limited, by way of business transfer/ slump sale arrangement during the year under review. E Centric Solutions Private Limited is a Hyderabad-based HR Services company. The IT Staffing vertical, operating since 2014, currently has over 100 core employees, 880 associates deployed across 20+ clients, with a turnover of over ₹45 crore p.a.

4. **Keystone Business Solutions Private Limited (Keystone)** is engaged in the business of providing information technology staffing solutions and consulting. Keystone is a step down wholly owned subsidiary of the Company through TDPL.

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

6. **Cassius Technologies and Services Private Limited (Freshersworld)** was an Associate Company w.e.f. June 01, 2017 with an investment of 30% stake in Freshersworld. Your Company further acquired additional 21% stake and pursuant to such an investment, Freshersworld became subsidiary Company w.e.f. July 31, 2018. The Bangalore headquartered Freshersworld (www.freshersworld.com) is the leading job site for entry level hiring in India with about 4 million unique visits every month. It has a database of 1 crore+ resumes with over 2 lakh resumes added every month. Freshersworld dominates its competitors in fresher hiring segment with an organic traffic of over 90% and is ranked among the Top 5 hiring portals in India in terms of traffic (per Alexa). It has over 60,000 registered employers/ recruiters with 4,000 subscribed customers and conducts 100+ virtual recruitment drives every month. Freshersworld is one of the very few online portals with positive margins and operating cashflows.

7. **Avantis Regtech Private Limited ("Avantis Regtech")** is a Joint Venture of your Company w.e.f November, 01, 2018. Established in October 12, 2018, Avantis Regtech is a B2B RegTech (Regulatory Technology) Company in India currently with 75 Enterprise customers serving over 2500 locations across 29 states and 7 union territories in India across 20 different industries with State of the art cloud enabled SAAS (Software as a Service) Platform equipped with enterprise workflow and document management capabilities.

   TeamLease had acquired stake in Avantis Regtech through primary investment of ₹7 crore through CCPS (Compulsorily Convertible Preference Shares).

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

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

   Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a Report on the performance and financial position of the subsidiary companies as per the Companies Act, 2013 in the Form AOC-1 is furnished as Annexure II to the Board's Report.

9. Management Discussion and Analysis (MD&A) Report

Pursuant to the provisions of Regulation 34 of the SEBI LODR Regulations 2015, the Management Discussion and Analysis capturing your Company's performance, industry trends and other material changes with respect to your Companies and its subsidiaries, wherever applicable, are set out from pages 96 to 102 in this Annual Report.

The MD&A Report provides a consolidated perspective of economic, social and environmental aspects material to your Company's strategy and its ability to create and sustain value to your Company's key stakeholders and includes aspects of reporting as required by Regulation 34 of the LODR Regulations 2015 on Business Responsibility Report. Statutory section of Business Responsibility Report is provided from pages 87 to 95 to this Annual Report.

10. Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance as prevalent globally. We have implemented several best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions. Corporate Governance Report for financial year 2018-19 is set out in pages 57 to 86 of this Annual Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under Regulation 34 (3) read with Schedule V of the SEBI LODR Regulations 2015 is annexed to the Corporate Governance Report.

11. Deposits

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

12. Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are furnished in the notes to the Financial Statements, forming part of this Annual Report.

13. Board of Directors, Committees of the Board and Key Managerial Personnel (s)

a. Board of Directors

Your Company's Board of Directors comprises of two Executive Directors, Four Independent Directors including One Women Director and the same is detailed in the Report on Corporate Governance, as set out in pages 57 to 86 of this Annual Report.

During the year under review, the Board of Directors vide its Circular Resolution passed on March 29, 2019 on recommendation of Nomination and Remuneration Committee, had appointed Mr. Zarir Batliwala as Independent Director (Additional) of the Company with effect from March 29, 2019, in accordance with Section 149 (4) of the Companies Act, 2013 to hold office for a term of five consecutive years, subject to approval of shareholders in General Meeting.

Brief Profile of Mr. Zarir Batliwala is as below:

Mr. Zarir Batliwala is an Independent People Practices consultant, focusing on organizational structure, performance management systems and workplace culture. He is also a partner in The HRM Practitioners, LLP., an HR consulting firm working in the area of code of conduct, business ethics and employee grievances.

Mr. Zarir Batliwala brings with him 45 + years of rich corporate experience at senior leadership level with functional experience in legal and human resource management, with a strong exposure to business and leadership and organizational development.

He is a Graduate in Law and a senior Fellow Member of the Institute of Company Secretaries of India.

Mr. Zarir Batliwala started his career in 1970 with the Mahindra & Mahindra Group of Companies and served in various high profile positions in human resources and the secretarial function. In 1984, he joined Britannia Industries Limited and was associated with the organization till 1994 in various roles as Company Secretary and Vice President - Legal and also spearheaded the human resources function. He then became an integral part of Digital Equipment (India) Ltd, a listed company in 1994 as Vice President – Legal and Company Secretary. In July 1998, post the merger of Digital with Compaq, he was appointed as Director, Human Resources and Legal for Compaq India. In 2002, after the merger of Compaq Computer with Hewlett-Packard (HP), he took over as the Director of Human Resources for HP India wherein he was responsible for the delivery of HR programs and services to the 30,000 HP employees across India sales Company and global delivery businesses and led a team of 150 HR professionals. Mr. Zarir Batliwala retired as Director, Human Resources for HP India on November 2009.

Between 2010 and 2014, he acted as a Consultant to TeamLease Services Limited, India's leading staffing Company as Head of the Human Resources function.

In terms of Section 161 of the Companies Act, 2013, Mr. Zarir Batliwala holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Zarir Batliwala's name for the office of Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Zarir Batliwala as a Non-executive Independent Director, for the approval by the shareholders of the Company.

b. Committees of the Board

As required under the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board has formed five Committees viz.

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

Keeping in view the requirements of the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Pursuant to Section 177(8) of the Companies Act, 2013, the composition of the Audit Committee is disclosed as under:

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

The details of the Committees along with their composition, number of meetings and attendance at the meeting as set out in Report on Corporate Governance, as set out in pages 57 to 86 of this Annual Report.

c. Key Managerial Personnel(s)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are:

No	Name of the KMPs	Position held in the Company
1	Mr. Ashok Reddy	Managing Director
2	Mr. Ravi Vishwanath	Chief Financial Officer
3	Mr. C. Mruthunjaya Murthy	Company Secretary and Compliance Officer up to May 31, 2018

During the year under review, Ms. Alaka Chanda has been appointed as Company Secretary and Compliance Officer of the Company with effect from October 30, 2018.

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

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Manish Mahendra Sabharwal (DIN: 00969601), Chairman of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The details of Mr. Manish Mahendra Sabharwal are furnished in the Notice of the Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting..

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

Name	Designation	Effective date
Mr. C. Mruthunjaya Murthy	Company Secretary & Compliance Officer	May 31, 2018

During the year, below mentioned Key Managerial Personnel have been appointed:

Name	Designation	Effective date
Ms. Alaka Chanda	Company Secretary & Compliance Officer	October 30, 2018

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

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

14. Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of theSEBI LODR Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

15. Board Evaluation

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

In line with the Corporate Governance Guidelines of the Company, Annual Performance Evaluation was conducted for all Board Members as well as on the functioning of the Board and its Committees.

This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and SEBI LODR Regulations 2015, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings.

Evaluation of the Board

Evaluation of the Board was based on criteria such as composition and role of the Board, communication and relationships between the Board of Directors, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

Evaluation of Committees

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

Evaluation of the Independent Directors

The Performance Evaluation of the Independent Directors was carried out by the entire Board.

Some of the performance indicators, based on which the Independent Directors are evaluated include:

- The ability to contribute to and monitor our corporate governance practises.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- Performance of the directors
- Fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Evaluation of the Chairman and Managing Director

The Performance Evaluation of the Chairman and Managing Director was carried out by the Independent Directors.

The evaluation process has been explained in detail in the Report on Corporate Governance, as set out in pages 57 to 86 of this Annual Report. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable the Board Members to discharge their responsibilities. It is specifically informed that directors subject to evaluation did not participate in the own evaluation process.

The Board has received improved ratings on its overall effectiveness, including higher rating on Board communication, relationships and Board Committees. The Board has also noted areas requiring more focus in the future.

16. Meetings of the Board

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

The Board during the financial year 2018-19 met five times. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board are included in the report on Corporate Governance, as set out in pages 57 to 86 of this Annual Report

17. Auditors

a. Statutory Auditor

As per the provisions of Section 139 of the Companies Act 2013, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration Number 101049W/E300004), Bangalore were appointed as Statutory Auditor of the Company in the Annual General Meeting held on July 07, 2017 for a period of five consecutive years subject to ratification at every subsequent Annual General Meeting, at a remuneration mutually agreed upon by the Board of Directors and Statutory Auditors.

Pursuant to Notification issued by the Ministry of Corporate Affairs on May 07, 2018 amending Section 139 of the Companies Act, 2013, the mandatory requirement for ratification of appointment of Statutory Auditor by the Shareholders at every AGM has been withdrawn from the Statute. Accordingly, the yearly ratification of appointment of the Statutory Auditor would not be done at every intervening Annual General Meeting as the requirement has been removed in the Companies Act, 2013. Hence the Resolution seeking ratification of the shareholders for continuance of their appointment at this Annual General Meeting is not being sought.

Auditor's Report

The Auditor's Report on the Financial Statements of the Company for the year ending March 31, 2019 is unmodified i.e., it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the Financial Statements forming part of the Annual Report.

b. Secretarial Auditors

Section 204 of the Companies Act, 2013, inter-alia, requires every listed company to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board of Directors appointed M Siroya & Company, Practicing Company Secretaries, Mumbai, bearing Firm Registration Number: 5682 as Secretarial Auditor to conduct the Secretarial Audit of the Company for financial year 2018-19 and his Report is annexed to this Board Report as Annexure-III. The Board has also appointed M Siroya & Company as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2019-20.

c. Internal Auditor and Internal Audit System

Your Company has continued its engagement with M/s. Grant Thornton India LLP, to conduct internal audit across the organization. We have also strengthened the in-house internal audit and compliance team to supplement and support the efforts of Grant Thornton India LLP. Your Company conducted 4 (Four) meetings of the Audit Committee during the year under review.

d. Secretarial Compliance Report of TeamLease Services Limited for the year ended March 31, 2019

As per Regulation 24A of SEBI LODR Regulations, 2018, read with SEBI Circular dated February 08, 2019; the listed entities are required to submit the Annual Secretarial Compliance Report with the exchange within sixty days of the end of the year. The same was submitted to the Stock Exchange(s) within the stipulated date and a copy of the same is hosted at our website at https://www.teamleasegroup.com/disclosures-made-stock-exchange-statutory-announcements.

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

In connection with the Statutory Audit of the financial statements for the year under review, there was no qualification, reservation or adverse remark in the report by the Statutory Auditor, save and except disclaimer made by them in discharge of their professional obligation. No frauds are reported by the Statutory Auditor under sub section (12) of Section 143 of the Companies Act, 2013.

In connection with the Secretarial Audit of the Company for the year under review, the Practicing Company Secretary in his Report have observed that there was no Compliance Officer of the Company from the period June 01, 2018 to October 29, 2018 due to the change in the Key Managerial Personnel (KMP) as detailed in Corporate Governance Report which forms part of Annual Report.

f. Internal Financial Control

The Company has laid down certain guidelines, processes and structures, which enable implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompasses policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

These include control processes both on manual and IT applications wherein the transactions are approved and recorded. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements in financial reporting due to error or fraud may occur and not be detected.

Also, evaluations of the internal financial controls are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the compliance with the policies or procedures may deteriorate. The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Grand Thornton Chartered Accountants, a firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

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

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

h. Reporting of Frauds

There was no instance of fraud during the year under reivew, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

i. Maintenance of Cost Records

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

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

No material changes and commitments have occurred after the closure of the financial year 2018-19 till the date of this Report, which would affect the financial position of your Company.

19. Acquisition of Companies / Investment in Associates/Subsidiaries during the year under review

a. During the year under review, the Company had made the following acquisitions:

   TeamLease Services Limited has through its subsidiary TDPL, acquired the IT Staffing vertical, of E Centric Solutions Private Limited, by way of business transfer/ slump sale arrangement. E Centric Solutions Private Limited is a Hyderabad-based HR Services company. The IT Staffing vertical, operating since 2014, currently has over 100 core employees, 880 associates deployed across 20+ clients, with a turnover of over 45 crore p.a.

b. During the year under review, the Company has made the following Investment in Associates/Subsidiaries/Joint Ventures:

   1. Cassius Technologies & Services Private Limited ("Freshersworld") was an Associate Company w.e.f. June 01, 2017 with an investment of 30% stake in Freshersworld by your Company.

      TeamLease Services Limited had acquired additional 21% stake and pursuant to this investment, Freshersworld became subsidiary Company w.e.f. August 01, 2018.

   2. Avantis Regtech Private Limited ("Avantis Regtech") is a Joint Venture w.e.f November, 01, 2018. Established in October 12, 2018, Avantis Regtech is a B2B RegTech (Regulatory Technology) Company with State of the art cloud enabled SAAS (Software as a Service) Platform equipped with enterprise workflow and document management capabilities. TeamLease had acquired stake in Avantis Regtech through primary investment of ₹7 crore through CCPS (Compulsorily Convertible Preference Shares).

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

Conservation of Energy	The Company being in the service industry does not have any power generation units and did not produce/generate any renewable or conventional power. However, Company has taken all steps to conserve energy in the work places by using energy saving lamps at all work stations and educating the employees to conserve energy
Technology Absorption	The Company being in Service Sector has adopted all new technology in terms of software and hardware for the better working and efficient reporting. The Company has an in house Information Technology team which constantly works on the adoption and implementation of new technology into the businesses of the Company.
Foreign Exchange Earnings and Outgo	During the year under review the Company on standalone basis has incurred ₹125.02 Lakhs towards expenditure in foreign currencies and earned ₹118.04 Lakhs towards export of services.

21. Research and Development

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

22. Vigil mechanism / Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of SEBI LODR Regulations, 2015 read with Section 177(10) of the Companies Act, 2013 for Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairperson of the Audit Committee. The said Policy is hosted on the website of the Company at the following link https://www.teamleasegroup.com/policy-documents

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

Pursuant to Regulation 21 of the SEBI LODR Regulations 2015, the Company has constituted Risk Management Committee comprising of Mr. Manish Mahendra Sabharwal as the Chairman and Mrs. Latika Pradhan and Mr. Ashok Reddy as members to frame, implement and monitor the Risk Management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

The Company has put in place an enterprise wide Risk Management Framework with an object of timely identification of risks, assessment and evaluation of the same in line with overall business objectives and define adequate mitigation strategy. The Risk Management Committee reviews critical risks on a rotation basis in line with the mitigation progress/ effectiveness and its impact on overall risk exposure of the Company, all the critical risk areas are covered at least once a year. Annually, all critical risk areas identified are re-evaluated.

24. Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for Prohibition of Insider Trading (Code), as approved by the Board is in force by the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives and other connected employees from trading in the securities of the Company at the time when there is access to Unpublished Price Sensitive Information(UPSI).

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

In accordance with the provisions of Section 134(3) (e) of the Companies Act, 2013 read with Section 178(2) of the Act and Regulation 17 of the SEBI LODR Regulations, 2015, the Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The Company's current Nomination and Remuneration Policy recommends having an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2019 the Board consists of six Directors, majority of them being Independent Directors. Besides the Chairman and Managing Director who are the Promoters, the Board comprises of four Independent Directors. The Board periodically evaluates the need for change in its composition and size. The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 are formulated by the Nomination and Remuneration Committee.

Your Company has also adopted the Policy on appointment of directors and senior management and Policy on Remuneration of Directors, Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Companies Act, 2013, and the same is furnished in Annexure IV of this Board's Report.

26. Board Diversity

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Policy is available at the web-link: https://www.teamleasegroup.com/policy-documents

27. Details of Policy developed and implemented by the Company on its Corporate Social Responsibility (CSR) initiatives

Pursuant to the provisions of Section 135, read with Schedule VII of the Companies Act 2013, your Directors in their Meeting held on July 09, 2015 have duly constituted the Corporate Social Responsibility Committee. The said Committee comprises of Mr. V Raghunathan (Chairman and Independent Director), Mr. Manish Mahendra Sabharwal (Member and Executive Director) and Mr. Ashok Reddy (Member and Managing Director).

The CSR Committee of the Board is of the opinion that the very nature of the Company is essentially that of a social enterprise, and its core objective is to provide tools to enterprises for Ease of doing business; Employment - both temporary and permanent; and Employability through skill development and training, which is mainstream for promotion of employment & education by enhancing vocational skills. All these activities are covered under the provisions of Section 135 and Schedule VII of Companies Act 2013 as CSR activities.

Keeping the above in mind, the CSR Committee in its meeting held on January 29, 2019 discussed the matter in detail and taking into account the objective of the Company, the prevailing voluntary nature of the spend, pursuant to the provisions of Section 135 of Companies Act 2013 and the narrow operating margins on which the Company operates, resolved not to spend any amount towards CSR activity for financial year 2018-19 and recommended to the Board to conserve any spends on CSR for their core social objectives.

However, the CSR Committee has advised the Board of Directors to evaluate the available options of CSR activities and to plan a road map for future opportunities of explicitly extending CSR by the Company. The Board was further advised to either hire a professional CSR consultant in order to effectively identify credible projects / NGO's where the Company can contribute towards its social responsibilities or to build up an internal CSR team to do the needful in this regard.

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

28. Business Responsibility Report

Pursuant to Regulation 34(2) (f) of the SEBI LODR Regulations, 2015, the Business Responsibility Report ("BRR") of your Company for the year 2018-19 is set out in pages 87 , and forms an integral part of this Annual Report.

29. Particulars of Contracts or Arrangements made with Related Parties

All transactions entered with Related Parties for the year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All related party transactions are mentioned in the notes to the accounts. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

Company has formulated a Policy on "Materiality of Related Party Transactions" and on "the process of dealing with such transactions", which are in line with the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations 2015. The same is also available on the web-link: https://www.teamleasegroup.com/policy-documents

Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive and also normal in nature. Further, disclosures on related party contracts and arrangements are made to the Audit Committee and the Board on a quarterly basis. During the year under review, there were no material related party transactions under Regulation 23 (4) of SEBI LODR Regulations 2015 entered into by the Company, which necessitates approval of shareholders.

30. Extracts of Annual Return

The details forming part of the extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (Form MGT-9) as on March 31, 2019 is furnished in Annexure-VI of the Board's Report.

31. Credit Ratings

The Company continues to maintain its credit ratings.

During the year under review, rating outlook on the long-term bank facility of the Company is upgraded to 'Positive' from 'Stable', by CRISIL. The rating on the commercial paper programme has been reaffirmed at 'CRISIL A2+' by CRISIL and A1 by ICRA.

32. Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external agencies, the reviews performed by management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2019.

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

(i) that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. Secretarial Standards

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

34. Listing on Stock Exchange

The Equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited since 2016.

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

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

36. Shares

a. Share Capital

As on March 31, 2019, the Authorized Share Capital of the Company is ₹2,330.00 lakhs and Paid-up Share Capital is ₹1,709.68 lakhs. Your Company has not issued or allotted any shares/convertible securities/shares with differential voting rights during the year under review.

As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity shares of the Company.

b. Buy Back of Securities

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

c. Sweat Equity

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

d. Employee Stock Option Plan (ESOP)

Nomination and Remuneration Committee of the Board, inter alia administers and monitors the Company's Employees' Stock Option Plan (ESOP Plan) in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The ESOP Plan is implemented through TeamLease ESOP Trust (ESOP Trust). During the year ended March 31, 2019, a total of 28803 Equity Shares of ₹10/- each were transferred from the ESOP Trust to the eligible employees under the Company's prevailing ESOP plan.

As at March 31, 2019, the ESOP Trust held 31,282 Equity Shares of the Company. During the year ended March 31, 2019, there has been no material change in the Company's existing plan and the plan is in compliance with SBEB Regulations. Note 32 of Standalone financials statements to be referred for information as required under SBEB Regulations read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015. In addition to the above, options granted to Senior Management Personnel are as mentioned below:

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

(a) senior managerial personnel; : NIL

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and : NIL

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. : NIL

A certificate from the Statutory Auditor that the Scheme has been implemented in accordance with SEBI Share Based Employee Benefits (SBEB) Regulations 2014 and the resolutions passed by the shareholders shall be made available at the Annual General Meeting for inspection by the Members.

37. Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in Annexure-VII of the Board's Report.

Pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of the top 10 employees in terms of remuneration drawn are furnished in Annexure-VIII of the Board's Report.

There were four employees during the financial year drawing remuneration of ₹1.02 crore per annum or more whose details form part of Annexure-VIII. There were two employees who were employed for a part of the financial year and have drawn a remuneration of more than ₹8.5 lakhs per month whose details form part of Annexure- VIII.

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year under review: The same were investigated in accordance with procedures prescribed and adequate steps were taken to resolve them.

Particulars	Numbers
No. of complaints pending at the beginning of the financial year 2018-19:	0
No. of complaints received during the financial year 2018-19:	4
No. of complaints disposed off during the financial year 2018-19:	4
No. of complaints pending at the end of the financial year 2018-19:	0

39. Human Resources

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

40. Statutory Disclosures

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

The Company has received a Certificate pursuant to Schedule V(10)(i) of SEBI LODR Amendment Regulations 2018 from M Siroya & Company, Practicing Company Secretaries, Mumbai, bearing Firm Registration Number: 5682, that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority during the period under review.

The certificate shall be made available at the Annual General Meeting for inspection by the Members.

41. Change in nature of business

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

42. Declaration on Code of Conduct

The Company has adopted the Code of Conduct for all its Senior Management Personnel and Directors and the same is affirmed by all the Board Members and Senior Management Personnel as required under Regulation 34 read with Part D of Schedule V of the SEBI LODR Regulations, 2015. A declaration signed by Mr. Ashok Reddy, Managing Director of the Company affirming the compliance with the Code of Conduct of the Company for the financial year 2018-19 as set out in Corporate Governance Report in pages 57 to 86 of this Annual Report.

43. MD and CFO Certification

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

44. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, economic developments within India and other ancillary factor.

45. Acknowledgements

Your directors wish to thank the customers, vendors, investors, bankers and the Ministry of Labour for their continued support during the year.

Your directors also wish to place on record their appreciation for the contribution made by the employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on Behalf of Board of Directors

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

Place: Bangalore
Date: May 28, 2019

Annuexure I

Dividend Distribution Policy

[Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Dividend Distribution Policy (the Policy) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The Policy is verbatim reproduced herewith-

Commencement:

This Policy shall come into force for accounting periods beginning from 1st April 2019 and the policy is effective from the date of approval of the Board i.e., from January 29, 2019.

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI vide its notification dated July 8, 2016 introduced a new Regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a Dividend Distribution Policy which shall be disclosed in their Annual Report and on their Website.

The Regulation further prescribed that, the Dividend Distribution Policy shall include the following parameters:

a. the circumstances under which the shareholders of the listed entities may or may not expect dividend;

b. the financial parameters that shall be considered while declaring dividend;

c. internal and external factors that shall be considered for declaration of dividend;

d. policy as to how the retained earnings shall be utilized; and

e. parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its Annual Report and on its Website.

Objective:

a. This Policy is framed in accordance with the requirement under Regulation 43A of the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 (including any amendments thereof).

b. The Company shall make appropriate disclosures as required under the LODR Regulations, 2015.

Definitions:

a. "Board" means the Board of Directors of TeamLease Services Limited.

b. "Company" means TeamLease Services Limited.

c. "Policy" means this Policy, as amended from time to time.

d. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

e. "Financial year" shall mean the period starting from 1st day of April and ending on 31st day of March every year.

Declaration of Dividend:

The declaration of dividend (including interim dividend) would be subject to compliance with the applicable provisions of the Companies Act, 2013, Rules and Listing Regulations made thereunder as amended from time to time.

Parameters for Dividend Payout:

a. The circumstances under which the shareholders may or may not expect dividend:

The Company intends to offer maximum return on investment to the shareholders keeping in mind the underlying growth and future of the Company. However, the Board may not consider to declare any dividend or declare a lower rate of dividend based on the following circumstances:

1. Prospective growth opportunities of the Company;
2. Threats/concerns of the Company;
3. Inadequacy or absence of profits;
4. Higher working capital requirements for business operations of the Company.

b. Financial Parameters including Internal Factors that shall be considered while declaration of dividend:

The financial parameters which would be considered while declaration of dividend by the Board are as follows:

1. Profits of the Company;
2. Past dividend pattern;
3. Major capital expenditure to be incurred by the Company;
4. Cash flow requirements of the Company;
5. Debt-equity ratio of the Company;

6. Cost of borrowing of the Company, keeping in view the growth opportunities;
7. Debt obligations of the Company;
8. Investments in new business;
9. Provisioning for financial implications arising out of unforeseen events and/or contingencies;
10. Reputation of the Company;
11. Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

c. External Factors that shall be considered while declaration of dividend:

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any financial year of the Company. Some of the external factors affecting the Company's dividend payment are:

1. Regulatory requirements;
2. Economic environment;
3. Political/geographical situations;
4. Inflation rate;
5. Industry Outlook for future years.

d. Utilization of Retained Earnings:

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency requirements. The retained earnings of the Company may be used in any of the following ways:

1. Capital expenditure for working capital;
2. Organic and/or inorganic growth;
3. Investment in new business(es);
4. Additional investment in existing business(es);
5. Declaration of dividend;
6. Capitalisation of shares;
7. Buy back of shares;
8. General corporate purposes, including contingencies;
9. Any other permitted usage as per the Companies Act, 2013.

e. Parameters adopted to various classes of shares:

At present the issued, subscribed and paid up capital of the Company comprises only of only one class of share i.e., equity shares.

Procedure:

Final dividend is declared at the Annual General Meeting (AGM) of the shareholders on the basis of recommendations of the Board. The Board may, at its discretion, also declare an interim dividend.

Other Salient Points:

Retained Earnings may be used for corporate actions in accordance with applicable laws and for investments towards growth of the business.

This Dividend Distribution Policy shall be applicable to equity shares

Board Discretion:

The Board may recommend special dividend as and when it deems fit. The Board will review the Dividend Distribution Policy of the Company at regular intervals.

Amendments:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in compliance with applicable Rules and Regulations framed thereof.

The Dividend Distribution Policy shall also be uploaded on the website of the Company at www.teamleasegroup.com.

Annuexure II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Lakhs)

Sl. No.	Particulars	Details					
1	Name of the subsidiary	IIJT Education Private Limited	TeamLease Education Foundation	TeamLease Digital Private Limited (Formerly TeamLease Staffing Servies Private Limited)	Keystone Business Solutions Private Limited	Evolve Technologies and Services Private Limited	Cassius Technologies Private Limited
2	Date of Acquisition/Incorporation	04.04.2010	27.06.2011	04.07.2016	01.02.2017	01.11.2017	31.07.2018
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹	₹	₹	₹
5	Share capital	800.00	1.00	473.50	4.26	351.83	1.11
6	Reserves & surplus (includes other comprehensive income and securities premium)	(584.55)	(249.49)	639.40	634.25	1,343.65	456.70
7	Total assets	294.41	5,998.02	19,168.99	832.80	4,760.74	588.44
8	Total Liabilities (excluding share capital and reserves and surplus)	78.96	6,246.51	18,056.09	194.29	3,065.26	130.63
9	Investments (excludes investment in subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL
10	Turnover (include inter-company transactions)	NIL	697.23	11,742.09	1,717.91	17,456.30	609.14
11	Profit/(loss) before taxation	12.31	(26.43)	(1,131.01)	382.06	78.84	137.06
12	Provision for taxation	NIL	NIL	(120.87)	99.07	(11.09)	29.30
13	Profit/(Loss) after taxation	12.31	(26.43)	(1,010.14)	282.99	89.93	107.76
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%

Notes:

1. Names of subsidiaries which are yet to commence operations – None.
2. Names of subsidiaries which have been liquidated or sold during the year:Nil.

Part "B": Associates and Joint Ventures

Sl. No.	Name of associates/joint venture	Cassius Technologies Private Limited (Refer note 2 below)	School Guru Eduserve Private Limited (Associate)	Avantis Regtech Private Limited (Joint Venture)
1	Latest audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019
2	Date on which the associate was associated or acquired	01.06.2017	01.12.2017	01.11.2018
3	Shares of associate or joint venture held by the company as on the year end Number Amount of Investment in associate/ joint venture Extent of Holding%		 184,068 758.90 22.19%	 219,299 500.00 33.33%
4	Description of how there is significant influence		More than 20% equity shareholding	More than 20% shareholding on a fully diluted basis
5	Reason why the associate or joint venture is not consolidated		NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet		(83.52)	52.08
7	Profit/Loss for the year/period I. Considered in Consolidation II. Not Considered in Consolidation	 10.11 23.59	 (14.76) (51.75)	 (31.79) (63.59)

1. Names of associates or joint ventures which are yet to commence operations – NA.
2. Names of associates or joint ventures which have been liquidated or sold during the year – NA. However, Cassius Technologies Private Limited became a subsidiary w.e.f July 31, 2018. Refer note 6(2) to the standalone financial statements.

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M.No. A29098

Place: Bangalore
Date: May 28, 2019

Annuexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
TeamLease Services Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TeamLease Services Limited** (hereinafter called the Company) for the audit period covering the Financial year ended March 31, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder as may be applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. There is no Overseas Direct Investment or External Commercial Borrowing in the Company; and

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

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

(i) The Equity Listing Agreements entered by the Company with BSE Limited and National Stock Exchange of India; and

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India as amended time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned herein above, subject to the following observations/remarks:

(i) The Market Regulators- BSE Limited and National Stock Exchange of India Limited had vide their letters dated November 27, 2018 levied penalty of ₹11000/- each towards delay in submission of Voting Results under Regulation 44 (3) of the Listing Obligation and Disclosure Requirement (LODR) Regulations, 2015 pertaining to the Postal Ballot held on October 06, 2018; and

(ii) The Company did not have a Compliance Officer during the period from June 1, 2018 to October 29, 2018 as mandated under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(iii) The compliance mechanism for SEBI Insider Trading Regulations needs to be further strengthened; and

(iv) During the year, we observed delay in filing of e-Form MGT-14, as detailed below:

Sr. No.	Particulars of the e-Form	SRN	Date of Board Meeting	Due Date of submission	Remarks
1.	MGT 14	H52109915	24.07.2018	23.08.2018	Filed with additional fees
2.	MGT 14	H49905714	30.10.2018	29.11.2018	Filed with additional fees
3.	MGT 14	H59250241	29.01.2019	27.02.2019	Filed with additional fees

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

We further report that the Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review, Mr. Zarir Batliwala was duly appointed as an Additional (Independent) Director w.e.f. March 29, 2019.

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

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

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

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

(i) The members of the Company passed a Special Resolution through postal ballot on June 25, 2018, approving the shifting of registered office of the Company from the State of Maharashtra to State of Karnataka subject to requisite approvals. Subsequently, the Regional Director, Western Region, Ministry of Corporate Affairs have approved the same vide its order dated October 25, 2018. Accordingly, the registered office of the Company has been shifted from the state of Maharashtra to the Karnataka w.e.f. October 30, 2018;

(ii) The Board of Directors at their meeting held on July 24, 2018, inter-alia, approved the following:

   (a) Additional investment of 21 % in Cassius Technologies Private Limited ("Cassius") and increased Company's Holding in Cassius from 30% and 51%;

   (b) Approved the proposal for seeking members approval through Postal Ballot for approval for creation of Fresh pool of 1.5 % of the paid up share capital of the Company and for approval for grant of options to the employees of the subsidiary /associate Company(ies) of the Company under Employee Stock Option Plan (ESOP 2018);

   (c) Approved enhancement of limit for granting loan from ₹50 crores to ₹60 crores to TeamLease Education Foundation, a wholly owned subsidiary of the Company; and

   (d) Approved enhancement of limit for granting loan from ₹170 crores to ₹190 crores to TeamLease Digital Private Limited, a wholly owned subsidiary of the Company.

(iii) The Special Resolution proposed through postal ballot notice dated July 24, 2018 for creation of fresh ESOP pool of 1.5 % of the paid up share capital of the Company and for approving the grant of options to the employees of the subsidiary /associate company(ies) of the Company under Employee Stock Option Plan (ESOP 2018) was declared as not passed on October 6, 2018;

(iv) The Board of Directors at their meeting held on October 30, 2018, inter-alia, approved the acquisition of stake in the form of Compulsorily Convertible Preference Shares ("CCPS") amounting to ₹4,99,99,944 in Avantis Regtech Private Limited;

(v) The members at their Annual General Meeting held on December 19, 2018, inter-alia, approved increase in the limit of investment by Foreign Institutional Investors/Foreign Portfolio Investors from existing 75% to 100% of the paid-up equity share capital of the Company by way of Special resolution; and

(vi) The Board of Directors at their Meeting held on January 29, 2019, inter-alia, approved / noted:

   a) took a note of the show cause notice issued by the Registrar of Companies, Bangalore in the matter of complaint lodged by erstwhile shareholders of ASAP Info Systems Private Limited; and

   b) Approved enhancement of limit for granting loan from ₹60 crores to ₹65 crores to TeamLease Education Foundation, a wholly owned subsidiary of the Company.

For **M Siroya and Company**
Company Secretaries

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

Date: May 28, 2019
Place: Mumbai

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

'Annexure A'

List of Laws applicable specifically to the Company

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

'Annexure B'

To,
The Members,
TeamLease Services Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M Siroya and Company**
Company Secretaries

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

Date: May 28, 2019
Place: Mumbai

Annuexure IV

Policy on Directors' Appointment and Remuneration

The Policy on Appointment and Remuneration of Directors and Key Managerial Personnel (the Policy) provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. This Policy is framed pursuant to Section 178 (4) of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Policy as administered by the Nomination and Remuneration Committee is verbatim reproduced herewith-

1. Objective:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable Rules thereto. The Key Objectives of the Committee are:

i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "KMP") and other employees as may be prescribed under the Companies Act, 2013.

ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.

iii. To recommend to the Board on remuneration payable to the Directors, KMP and other employees as may be prescribed under the Companies Act, 2013.

iv. To provide to KMP and other employees as may be prescribed under the Companies Act, 2013, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

vi. To develop a succession plan for the Board and to regularly review the succession plan;

2. Definitions:

i. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

ii. "Board" means Board of Directors of the Company.

iii. "Directors" mean Directors of the Company.

iv. "Company" means TeamLease Services Limited

v. "Committee" means Nomination and Remuneration Committee of the Company

2.1. Key Managerial Personnel (KMP) means

a. Managing Director

b. Chief Financial Officer;

c. Company Secretary;

d. Whole Time Director

e. Chief Executive Officer

f. Such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board;

2.2. Other Employees prescribed under the Companies Act, 2013, means personnel of the Company who are members of its core management team being one level below the Board .

3. Role of Committee:

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director

3.1.2 Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.

3.1.3. Recommend to the Board, appointment and removal of Director, KMP and other employees.

3.2. Policy for appointment and removal of Director, KMP and other employees

3.2.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, and experience of the person for appointment as Director, KMP or at other level as may be prescribed under the law and recommend to the Board his / her appointment.

b) A person should possess adequate qualification and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person asWhole-time Director who has attained the age of seventy years. Provided, that the term of the person holding this position on may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term /Tenure

a) **Managing Director/Whole-Time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time, no re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report

3.2.3. Evaluation:

The Nomination and Remuneration Committee shall carry out yearly Performance Evaluation for all Board members. The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include

(a) performance of the directors; and

(b) fulfillment of the independence criteria as specified in these Regulations and their independence from the management

(c) On the basis of the report of Performance Evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director

Company Secretary and Compliance Officer will undertake the process for and on behalf of the Nomination and Remuneration Committee and submit the report to Nomination and Remuneration Committee Chairman.

Nomination and Remuneration Committee Chairman will present it to the Board Chairman and discuss it during Board Meeting. He may also discuss it during Independent Directors' Meeting.

3.2.4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, or under any other applicable Act, Rules and Regulations there under, the Committee may recommend, to the Board with reasons recorded In writing, removal of a Director, KMP or other employee subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement:

The Director, KMP and other employees shall retire as per the applicable provisions of the Companies Act, 2013, and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, other employees in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3.1 Policy relating to the Remuneration for the Whole-Time Director, KMP and other employees:

a. The remuneration/compensation/commission etc. to the Whole Time Director, KMP and other employees will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, whenever required.

b. The remuneration and commission to be paid to the Whole Time Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013.

c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which would be within the slabs approved by the Shareholders in the case of Whole Time Director.

d. Where any insurance is taken by the Company on behalf of its Whole Time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability , the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e. In case any difficulty or doubt arising in the interpretation or implementation of this policy, the decision of the Chairman / Managing Director of the Company shall be final. In exceptional circumstances, the Chairman / Managing Director shall be authorized to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel and other employees; provided however that such actions taken by the Chairman and Managing Director shall be placed before the Committee for ratification in the succeeding Committee Meeting.

3.3.2 Remuneration to Whole Time/ Executive/Managing Director, KMP and other employees:

a) Fixed Pay:

The Whole-Time Director/ KMP and such other employees shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc, shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole- Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-Time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and unless such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

Remuneration / Commission/ Sitting Fee:

The remuneration / commission / sitting fee, if any paid , shall be fixed as per Articles of Association and the Companies Act, 2013 read with applicable rules.

4. Membership:

i. The Committee shall consist of a minimum 3 Non-Executive directors, majority of them being independent.

ii. Membership of the Committee shall be disclosed in the Annual Report.

iii. Term of the Committee shall be continued unless terminated by the Board of Directors.

5. Chairperson

a. Chairperson of the Committee shall be an Independent Director.

b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

c. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

d. Chairman of the Nomination and remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. Frequency of Meetings

The Nomination and Remuneration Committee shall meet at least once in a year

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

7. Committee members' Interests:

i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

ii. The Committee may invite such Executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Secretary:

The Company Secretary or any other nominee of the Company shall act as Secretary of the Committee.

9. Voting:

i. Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Committee Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

ii. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. Duties:

Remuneration

a. Determine and agree with the Board the framework or broad policy for the remuneration of the Company's Managing Director /Chief Executive, Chairman, the Executive/ Whole Time Directors, and such other members of the Executive management as it is designated to consider. No Director or Manager shall be involved in any decisions as to their own remuneration;

b. in determining such policy, take into account all factors which it deems necessary and review and approve for the Managing Director and other Executive Directors on the Board of Directors:

1. Annual base salary;
2. Annual incentive bonus, including specific goals and amount;
3. Equity compensation;
4. Employment agreements and other service agreements; and
5. Any other benefits / compensation payable to Managing Director, Executive Directors or Key Management Personnel; and
6. To ensure that members of the Executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
7. Review the performance of the Managing Director and Executive Director on the Board of Directors at such intervals as the Committee may deem fit.

c. review the ongoing appropriateness and relevance of the Nomination and Remuneration Policy;

d. approve the design of, and determine targets for, any performance related pay schemes scheme operated by the Company and approve the total annual payments made under such schemes.

e. review the design of all share incentive plans/ stock options for approval by the Board and shareholders. For any such plans, determine each year whether options would be granted and if so, the overall amount of such awards, including:-

   i. the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;

   ii. the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;

   iii. the exercise period within which the employee should exercise the option and that the options would lapse on failure to exercise the option within the exercise period.

   iv. the specified me period within which the employee should exercise the vested options in the event of termination or resignation of an employee;

   v. the right of an employee to exercise all the options vested in him at one me or at various points of me within the exercise period;

   vi. the procedure for making a fair and reasonable adjustments to the number of options and the exercise price in case of corporate actions such as right issues, bonus issues, merger , sale of division and others;

   vii. the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options

f. determine the policy for, and scope of, pension arrangements for each Executive Director and other employees;

g. ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

h. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each Executive and Non-Executive director and other employees including bonuses, incentive payments and share options or other share awards, if any;

i. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the SEBI Guidelines and Companies Act, 2013 and other applicable laws;

j. review and note annually the remuneration trends across the Company or group;

k. oversee any major changes in employee benefits structures throughout the Company or group;

l. ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

m. be exclusively responsible for establishing the selection criteria, selecting, appointing and serving the terms of reference for any remuneration consultants who advise the Committee;

n. obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

11. Nomination:

i. Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

ii. give full consideration to succession planning for directors and other employees in the course of its work, taking into account the challenges and opportunists facing the Company, and what skills and experience are therefore needed on the Board and in the Company and make consequential recommendation to the Board of Directors.

iii. keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

iv. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

v. review annually the performance required from Non-Executive Directors. Performance Evaluation should be used to assess whether the non-executive directors are spending enough me to fulfill their dues;

vi. ensure that on appointment to the Independent Directors receive a formal letter of appointment stating out clearly what is expected of them in terms of me commitment, Committee service and involvement outside Board meetings;

vii. The Committee:

a. shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance and shall recommend to the Board, all remuneration, in whatever form, payable to Senior Management. (Senior Management as defined under Section 178 of the Companies Act 2013 and also pursuant to Regulation 16 of SEBI Listing Obligation and Disclosure Requirement (LODR) Regulations read with its Amendments.)

b. shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees

c. while formulating the policy under clause (b) above ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to Directors, Key Managerial Personnel and other Employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's Report.

viii. The Committee shall also make recommendations to the Board concerning:

(a) formulating plans for succession for both Executive and Non-Executive Directors;

(b) membership of the Audit Committee in consultation with the Chairperson of that Committee;

(c) the re-appointment of any Non-Executive and Independent director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

(d) the re-election by shareholders of any Director under the 'retirement by rotation 'provisions in the Company's Articles of Association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

(e) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the Law and their service contract

(f) the appointment of any Director to Executive Director or other office or position of profit within the Company.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meetings. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

Annuexure V

Annual Report on Corporate Social Responsibility (CSR) Activities to be included in the Board's Report

(₹ in Lakhs)

<table>
<tr><td rowspan="1">1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</td><td colspan="2">Consequent to the implementation of the Companies Act, 2013, the Company has adopted the CSR policy through CSR Committee. The Company through its policy aims to bring improvements in the lives of the communities in and around our operations with an objective to energize and enable them to realize their potential.
The main objective(s) of our CSR policy are:
1) To lay down guidelines to make CSR a key business process for sustainable development of the society.
2) To directly/indirectly undertake projects & programs; this will enhance the quality of life and economic well-being of the communities in and around our office premises and society at large.
3) To generate goodwill and recognition among all stakeholders of the Company.
The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:
1) Upliftment of the economically backward women through education and vocational training for livelihood enhancing skills.
2) Social and life skills development for the marginalised & underprivileged children to help them live a beautiful life.
3) Adopt a village.
4) Artesian and handicraft support and growth.
5) Participation in social causes like Breast cancer awareness initiatives & programs. Rehabilitation of victims of natural disasters.</td></tr>
<tr><td rowspan="3">2. The composition of the CSR Committee</td><td>V. Raghunathan</td><td>Chairman-Independent Director</td></tr>
<tr><td>Manish Mahendra Sabharwal</td><td>Member-Executive Director</td></tr>
<tr><td>Ashok Reddy</td><td>Member-Managing Director</td></tr>
<tr><td>3. Average net profit of the Company for last three financial years</td><td colspan="2">5,227.31</td></tr>
<tr><td>4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</td><td colspan="2">104.55</td></tr>
<tr><td>5. Details of CSR spent during the financial year
a. Total amount to be spent for the financial year
b. Amount unspent, if any
c. Manner in which the amount spent during the financial year is detailed below</td><td colspan="2">Nil
104.55
104.55
For the reasons explained in Clause 6 herein, no details are available to fill in this table.</td></tr>
</table>

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

CSR project of activity identified Sector in which the project is covered Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken Amount outlay (budget) project or programs wise Amount spent on the projects or programs (Sub heads:) (1) Direct expenditure on projects or programs (2) Overhead Cumulative expenditure upto the reporting period Amount spent: Direct or through implementing agency	Not Applicable
6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report	The CSR Committee of the Board is of the opinion that the very nature of the Company is essentially that of a social enterprise, and its core objective is to provide tools to enterprises for Ease of doing business; Employment - both temporary and permanent; and Employability through skill development and training, which is mainstream for promotion of employment & education by enhancing vocational skills. All these activities are covered under the provisions of Section 135 and Schedule VII of Companies Act 2013 as CSR activities. Keeping the above in mind, the CSR Committee in its meeting held on January 29, 2019 discussed the matter in detail and taking into account the objective of the Company, the prevailing voluntary nature of the spend, pursuant to the provisions of Section 135 of Companies Act 2013 and the narrow operating margins on which the Company operates, resolved not to spend any amount towards CSR activity for financial year 2018-19 and recommended to the Board to conserve any spends on CSR for their core social objectives. However, the CSR Committee has advised the Board of Directors to evaluate the available options of CSR activities and to plan a road map for future opportunities of explicitly extending CSR by the Company. The Board was further advised to either hire a professional CSR consultant in order to effectively identify credible projects / NGO's where the Company can contribute towards its social responsibilities or to build up an internal CSR team to do the needful in this regard.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company	The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company

For and on Behalf of Board of Directors
TeamLease Services Limited

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

Place: Bangalore
Date: May 28, 2019

Annuexure VI

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2019

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

I. Registration & Other Details:

i.	CIN	L74140KA2000PLC118395
ii.	Registration Date	02.02.2000
iii.	Name of the Company	TeamLease Services Limited
iv.	Category/Sub-category of the Company	Category - Public Listed Company - Limited by shares
		Sub-category - Indian Non-Government Company
v.	Address of the Registered office and contact details	6th Floor, BMTC Commercial Complex, 80ft Road, Koramangala, Bangalore - 560 095 Tel.: +91 080 68242345 Fax: +91 080 68243001 E-mail: corporateaffairs@teamlease.com Website: www.teamleasegroup.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar & Transfer Agent, if any	M/s. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad-500 032 Tel. No.: +91 040 6716 2222 Fax No.: +91 040 2300 1153 Email : einward.ris@karvy.com Website: https://karisma.karvy.com

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Employment activities	78200	100%

III. Particulars of Holding, Subsidiary and Associate Companies*

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IIJT Education Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U72200MH2006PTC218082	Subsidiary	100%	2 (87)
2	TeamLease Education Foundation Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U80903MH2011NPL219138	Subsidiary	100%	2 (87)
3	TeamLease Digital Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U74999MH2016PTC283227	Subsidiary	100%	2 (87)
4	Keystone Business Solutions Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U72200MH2009PTC304689	Subsidiary	100%	2 (87)
5	Evolve Technologies & Services Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U50404MH1991PTC310808	Subsidiary	100%	2 (87)
6	Cassius Technologies Private Limited #437, 3rd Floor, 12th cross, 27th main, sector 1, HSR Layout, Bangalore - 560 102	U72200KA2005PTC113117	Subsidiary	51%	2 (87)
7	School Guru Eduserve Private Limited Unit No. 903, 9th Floor, Western Edge- II, Western Express Highway,Borivali (East), Mumbai - 400 066	U80301MH2010PTC211390	Associate	22.19%	2 (6)

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5,343	-	5,343	0.03	5,343	-	5,343	0.03	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,660,571	-	2,660,571	15.56	2,565,088	-	2,565,088	15.00	(0.56)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**2,665,914**	**-**	**2,665,914**	**15.59**	**2,570,431**	**-**	**2,570,431**	**15.03**	**(0.56)**
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	4,571,779	-	4,571,779	26.74	4,400,812	-	4,400,812	25.74	(1.00)
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**4,571,779**	**-**	**4,571,779**	**26.74**	**4,400,812**	**-**	**4,400,812**	**25.74**	**(1.00)**
TOTAL (A)	**7,237,693**	**-**	**7,237,693**	**42.33**	**6,971,243**	**-**	**6,971,243**	**40.78**	**(1.56)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	993,219	-	993,219	5.81	814,618	-	814,618	4.76	(1.04)
b) Banks / FI	2,059	-	2,059	0.01	1,132	-	1,132	0.01	(0.01)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	5,746,531	-	5,746,531	33.61	7,704,282	-	7,704,282	45.06	11.45
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (AIFs)	20,088	-	20,088	0.12	249,000	-	249,000	1.46	1.34
Sub-total (B)(1):-	**6,761,897**	**-**	**6,761,897**	**39.55**	**8,769,032**	**-**	**8,769,032**	**51.29**	**11.74**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,087,558	-	1,087,558	6.36	592,697	-	592,697	3.47	(2.89)
ii) Overseas	1,114,324	-	1,114,324	6.52	-	-	-	-	(6.52)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	446,193	2,569	448,762	2.62	404,709	1,051	405,760	2.37	(0.25)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	231,594	-	231,594	1.35	235,848	-	235,848	1.38	0.02
c) Others (specify)									
Non Resident Indians	10,121	-	10,121	0.06	13,231	-	13,231	0.08	0.02
Clearing Members	66,523	-	66,523	0.39	9,582	-	9,582	0.06	(0.33)
Trusts**	80,910	-	80,910	0.47	31,362	-	31,362	0.18	(0.29)
Non Resident Indian Non Repatriable	47,600	-	47,600	0.28	58,780	-	58,780	0.34	0.07
HUF	9,787	-	9,787	0.06	9,234	-	9,234	0.05	(0.00)
Sub-total (B)(2):-	**3,094,610**	**2,569**	**3,097,179**	**18.12**	**1,355,443**	**1,051**	**1,356,494**	**7.93**	**(10.18)**
Total Public (B)	**9,856,507**	**2,569**	**9,859,076**	**57.67**	**10,124,475**	**1,051**	**10,125,526**	**59.22**	**1.56**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**17,094,200**	**2,569**	**17,096,769**	**100.00**	**17,095,718**	**1,051**	**17,096,769**	**100.00**	**0.00**

**Trust includes 72,715 shares as of March 31, 2018 and 31,282 as of March 31, 2019 held by TeamLease ESOP Trust as per SEBI (Share-based employee benefits) Regulations, 2014. This is non-promoter non public shareholding. 8195 shares as of March 31, 2018 and 80 shares as of March 31, 2019 held by Other Trusts.

(ii) Shareholding of Promoters^

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	HR Offshoring Ventures Pte Ltd.	4,571,779	26.74	-	4,400,812	25.74	-	(1.00)
2	Dhana Management Consultancy LLP	904,413	5.29	-	894,413	5.23	-	(0.06)
3	NED Consultants LLP	1,624,416	9.50	-	1,538,933	9.00	-	(0.50)
4	MKS Management Consultancy Services LLP	300	0.00	-	300	0.00	-	-
5	Hansini Management Consultants Private Limited	131,442	0.77	-	131,442	0.77	-	-
6	Anupama Gupta	2,916	0.02	-	2,916	0.02	-	-
7	Arati Menon	2,427	0.01	-	2,427	0.01	-	-

^Includes Shareholding of Promoter group also.

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	HR Offshoring Ventures Pte Ltd.						
	At the beginning of the year			4,571,779	26.74		
	Changes during the year	20/04/2018	Sale	(170,967)	(1.00)	4,400,812	25.74
	At the end of the year					4,400,812	25.74
2	Dhana Management Consultancy LLP						
	At the beginning of the year			904,413	5.29		
	Changes during the year	31/08/2018	Sale	(10,000)	(0.06)	894,413	5.23
	At the end of the year					894,413	5.23
3	NED Consultants LLP						
	At the beginning of the year			1,624,416	9.50		
	Changes during the year	20/04/2018	Sale	(85,483)	(0.50)	1,538,933	9.00
	At the end of the year					1,538,933	9.00
4	MKS Management Consultancy Services LLP						
	At the beginning of the year			300	0.00		
	Changes during the year			-	-	300	0.00
	At the end of the year					300	0.00
5	Hansini Management Consultants Private Limited						
	At the beginning of the year			131,442	0.77		
	Changes during the year			-	-	131,442	0.77
	At the end of the year					131,442	0.77
6	Anupama Gupta						
	At the beginning of the year			2,916	0.02		
	Changes during the year			-	-	2,916	0.02
	At the end of the year					2,916	0.02
7	Arati Menon						
	At the beginning of the year			2,427	0.01		
	Changes during the year			-	-	2,427	0.01
	At the end of the year					2,427	0.01

(iv) Shareholding Pattern of top ten Shareholders

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	GPE (India) Ltd.#						
	At the beginning of the year			1,114,324	6.52		
	Changes during the year	20/04/2018	Sale	(575,188)	(3.36)	539,136	3.15
		22/06/2018	Sale	(5,042)	(0.03)	534,094	3.12
		29/06/2018	Sale	(1,966)	(0.01)	532,128	3.11
		06/07/2018	Sale	(77,020)	(0.45)	455,108	2.66
		24/08/2018	Sale	(455,108)	(2.66)	-	-
	At the end of the year					-	-
2	Kotak Funds - India Midcap Fund^						
	At the beginning of the year			-	-		
	Changes during the year	20/04/2018	Purchase	582,716	3.41	582,716	3.41
		22/02/2019	Sale	(6,837)	(0.04)	575,879	3.37
	At the end of the year					575,879	3.37
3	Aditya Birla Sun Life Trustee Private Limited - multiple accounts						
	At the beginning of the year			330,317	1.93		
	Changes during the year	06/04/2018	Purchase	4,500	0.03	334,817	1.96
		13/04/2018	Sale	(40,450)	(0.24)	294,367	1.72
		27/04/2018	Sale	(34,500)	(0.20)	259,867	1.52
		04/05/2018	Sale	(5,900)	(0.03)	253,967	1.49
		11/05/2018	Sale	(52,502)	(0.31)	201,465	1.18
		20/07/2018	Purchase	11,500	0.07	212,965	1.25
		03/08/2018	Purchase	10,000	0.06	222,965	1.30
		10/08/2018	Purchase	776	0.00	223,741	1.31
		21/09/2018	Purchase	3,200	0.02	226,941	1.33
		28/09/2018	Purchase	10,732	0.06	237,673	1.39
		05/10/2018	Purchase	24	0.00	237,697	1.39
		19/10/2018	Purchase	5,000	0.03	242,697	1.42
		26/10/2018	Purchase	10,000	0.06	252,697	1.48
		02/11/2018	Purchase	5,650	0.03	258,347	1.51
		14/12/2018	Purchase	6,350	0.04	264,697	1.55
		21/12/2018	Purchase	7,513	0.04	272,210	1.59
		28/12/2018	Purchase	5,360	0.03	277,570	1.62
		18/01/2019	Purchase	5,300	0.03	282,870	1.65
		25/01/2019	Purchase	4,300	0.03	287,170	1.68
		01/02/2019	Purchase	8,100	0.05	295,270	1.73
		15/02/2019	Purchase	20,227	0.12	315,497	1.85
		22/02/2019	Sale	(2,139)	(0.01)	313,358	1.83
		22/03/2019	Purchase	9,568	0.06	322,926	1.89
		29/03/2019	Purchase	4,100	0.02	327,026	1.91
	At the end of the year					327,026	1.91
4	Franklin Templeton Investment Funds^						
	At the beginning of the year			-	-		
	Changes during the year	24/08/2018	Purchase	482,400	2.82	482,400	2.82
		07/09/2018	Purchase	22,277	0.13	504,677	2.95
		22/02/2019	Sale	(712)	(0.00)	503,965	2.95
		01/03/2019	Sale	(24,398)	(0.14)	479,567	2.81
	At the end of the year					479,567	2.81
5	Goldman Sachs India Fund Limited						
	At the beginning of the year			700,801	4.10		
	Changes during the year	04/01/2019	Sale	(99,899)	(0.58)	600,902	3.51
		01/03/2019	Sale	(23,000)	(0.13)	577,902	3.38
	At the end of the year					577,902	3.38

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
6	Goldman Sachs Funds - Goldman Sachs Growth & Emerging Markets Broad Equity Portfolio						
	At the beginning of the year			569,866	3.33		
	Changes during the year	06/04/2018	Purchase	13,398	0.08	583,264	3.41
		15/02/2018	Sale	(90,531)	(0.53)	492,733	2.88
	At the end of the year					492,733	2.88
7	FIL Investments (Mauritius) Ltd						
	At the beginning of the year			756,053	4.42		
	Changes during the year	11/05/2018	Sale	(2,730)	(0.02)	753,323	4.41
		18/05/2018	Sale	(74,369)	(0.43)	678,954	3.97
		25/05/2018	Sale	(68,826)	(0.40)	610,128	3.57
		01/06/2018	Sale	(12,354)	(0.07)	597,774	3.50
		27/07/2018	Sale	(27,652)	(0.16)	570,122	3.33
		03/08/2018	Sale	(4,250)	(0.02)	565,872	3.31
	At the end of the year					565,872	3.31
8	EMERGING MARKETS GROWTH FUND, INC.						
	At the beginning of the year			267,642	1.57		
	Changes during the year	20/04/2018	Purchase	69,028	0.40	336,670	1.97
		27/04/2018	Purchase	541	0.00	337,211	1.97
		05/10/2018	Purchase	15,241	0.09	352,452	2.06
		12/10/2018	Purchase	14,108	0.08	366,560	2.14
		19/10/2018	Purchase	6,557	0.04	373,117	2.18
		26/10/2018	Purchase	9,749	0.06	382,866	2.24
		02/11/2018	Purchase	1,151	0.01	384,017	2.25
	At the end of the year					384,017	2.25
9	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD#						
	At the beginning of the year			410,067	2.40		
	Changes during the year	06/04/2018	Purchase	810	0.00	410,877	2.40
		13/04/2018	Purchase	1,894	0.01	412,771	2.41
		20/04/2018	Sale	(2,928)	(0.02)	409,843	2.40
		27/04/2018	Sale	(7,291)	(0.04)	402,552	2.35
		18/05/2018	Purchase	41	0.00	402,593	2.35
		25/05/2018	Sale	(2,454)	(0.01)	400,139	2.34
		01/06/2018	Sale	(399)	(0.00)	399,740	2.34
		15/06/2018	Purchase	55	0.00	399,795	2.34
		29/06/2018	Sale	(2,610)	(0.02)	397,185	2.32
		06/07/2018	Sale	(2,451)	(0.01)	394,734	2.31
		13/07/2018	Sale	(7,047)	(0.04)	387,687	2.27
		20/07/2018	Purchase	41	0.00	387,728	2.27
		27/07/2018	Sale	(2,039)	(0.01)	385,689	2.26
		03/08/2018	Sale	(1,142)	(0.01)	384,547	2.25
		10/08/2018	Sale	(108)	(0.00)	384,439	2.25
		17/08/2018	Sale	(1,911)	(0.01)	382,528	2.24
		24/08/2018	Sale	(3,482)	(0.02)	379,046	2.22
		07/09/2018	Sale	(2,154)	(0.01)	376,892	2.20
		14/09/2018	Sale	(2,882)	(0.02)	374,010	2.19
		21/09/2018	Sale	(3,462)	(0.02)	370,548	2.17
		28/09/2018	Sale	(3,332)	(0.02)	367,216	2.15
		05/10/2018	Purchase	52	0.00	367,268	2.15
		12/10/2018	Purchase	1,270	0.01	368,538	2.16
		19/10/2018	Sale	(2,327)	(0.01)	366,211	2.14
		26/10/2018	Sale	(1,314)	(0.01)	364,897	2.13
		02/11/2018	Sale	(3,313)	(0.02)	361,584	2.11
		09/11/2018	Purchase	107	0.00	361,691	2.12

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		16/11/2018	Purchase	114	0.00	361,805	2.12
		23/11/2018	Sale	(2,505)	(0.01)	359,300	2.10
		30/11/2018	Sale	(31,041)	(0.18)	328,259	1.92
		07/12/2018	Sale	(11,459)	(0.07)	316,800	1.85
		14/12/2018	Sale	(1,039)	(0.01)	315,761	1.85
		21/12/2018	Sale	(449)	(0.00)	315,312	1.84
		28/12/2018	Sale	(170)	(0.00)	315,142	1.84
		31/12/2018	Sale	(21,841)	(0.13)	293,301	1.72
		04/01/2019	Sale	(173)	(0.00)	293,128	1.71
		11/01/2019	Sale	(430)	(0.00)	292,698	1.71
		01/02/2019	Sale	(1,557)	(0.01)	291,141	1.70
		08/02/2019	Sale	(16,358)	(0.10)	274,783	1.61
		15/02/2019	Sale	(7,134)	(0.04)	267,649	1.57
		22/02/2019	Sale	(14,498)	(0.08)	253,151	1.48
		01/03/2019	Purchase	143	0.00	253,294	1.48
		15/03/2019	Sale	(14,744)	(0.09)	238,550	1.40
		29/03/2019	Sale	(14,949)	(0.09)	223,601	1.31
	At the end of the year					223,601	1.31
10	T. Rowe Price International Discovery Fund						
	At the beginning of the year			750,808	4.39		
	Changes during the year			-	-	750,808	4.39
	At the end of the year					750,808	4.39
11	J P Morgan Funds						
	At the beginning of the year			509,180	2.98		
	Changes during the year	11/05/2018	Sale	(15,610)	(0.09)	493,570	2.89
		25/05/2018	Sale	(6,110)	(0.04)	487,460	2.85
		29/06/2018	Sale	(4,407)	(0.03)	483,053	2.83
		06/07/2018	Sale	(6,043)	(0.04)	477,010	2.79
		19/10/2018	Sale	(13,865)	(0.08)	463,145	2.71
		26/10/2018	Sale	(14,995)	(0.09)	448,150	2.62
		07/12/2018	Sale	(17,034)	(0.10)	431,116	2.52
		14/12/2018	Sale	(13,244)	(0.08)	417,872	2.44
		21/12/2018	Sale	(15,012)	(0.09)	402,860	2.36
		31/12/2018	Sale	(7,130)	(0.04)	395,730	2.31
		15/02/2019	Sale	(15,120)	(0.09)	380,610	2.23
		22/02/2019	Sale	(14,650)	(0.09)	365,960	2.14
	At the end of the year					365,960	2.14
12	Indus India Fund (Mauritius) Limited						
	At the beginning of the year			437,856	2.56		
	Changes during the year	06/04/2018	Purchase	4,509	0.03	442,365	2.59
		20/04/2018	Purchase	39,571	0.23	481,936	2.82
		04/05/2018	Purchase	1,455	0.01	483,391	2.83
		11/05/2018	Purchase	24,388	0.14	507,779	2.97
		18/05/2018	Purchase	24,243	0.14	532,022	3.11
		25/05/2018	Purchase	181	0.00	532,203	3.11
		01/06/2018	Purchase	25,445	0.15	557,648	3.26
		08/06/2018	Purchase	3,572	0.02	561,220	3.28
		06/07/2018	Purchase	8,595	0.05	569,815	3.33
		27/07/2018	Purchase	3,564	0.02	573,379	3.35
		03/08/2018	Purchase	28,440	0.17	601,819	3.52
		07/09/2018	Purchase	3,999	0.02	605,818	3.54
		14/09/2018	Sale	(3,999)	(0.02)	601,819	3.52
	At the end of the year					601,819	3.52

^ Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019 or during the year.

Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01/04/2018 or during the year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Narayan Ramachandran - Independent Director						
	At the beginning of the year			-	-		
	Changes during the year	30/09/2018	Purchase	2,500	0.01	2,500	0.01
	At the end of the year					2,500	0.01
2	Ravi Vishwanath - CFO						
	At the beginning of the year			38,525	0.23		
	Changes during the year	03/04/2018	ESOP Allotment	4,105	0.02	42,630	0.25
		18/02/2019 & 19/02/2019	Sale	(1,000)	(0.01)	41,630	0.24
		29/03/2019	ESOP Allotment	4,105	0.02	45,735	0.27
	At the end of the year					45,735	0.27

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

V. Indebtedness

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
Addition	0.95	-	-	0.95
Reduction	-	-	-	-
Net Change	**0.95**	**-**	**-**	**0.95**
Indebtedness at the end of the financial year				
i) Principal Amount	0.95	-	-	0.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**0.95**	**-**	**-**	**0.95**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashok Reddy	Manish Mahendra Sabharwal	
		Managing Director	Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	111.64	90.00	201.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**111.64**	**90.00**	**201.64**
	Ceiling as per the Companies Act, 2013			**993.47**

Note: Gross salary mentioned in the table is the amout accrued during the FY 2018-19.

B. Remuneration to other Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Latika Pradhan	Narayan Ramachandran	V. Raghunathan	
1	Independent Directors				
	Fee for attending board committee meetings	2.60	2.00	2.00	6.60
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**2.60**	**2.00**	**2.00**	**6.60**
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**2.60**	**2.00**	**2.00**	**6.60**
	Total Managerial Remuneration*				**208.24**
	Overall Ceiling as per the Act	Sitting Fees is within the limits specified under the Act.			

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

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Ravi Vishwanath	C. Mruthunjaya Murthy*	Alaka Chanda**	
		CFO	CS	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	107.40	9.72	8.55	125.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	13.81	-	-	13.81
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**121.21**	**9.72**	**8.55**	**139.48**

* resigned w.e.f. May 31, 2018.
**Appointed w.e.f. October 31, 2018
Note: Gross salary mentioned in the table is the amount accrued during the FY 2018-19.

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

There were no penalties/punishments/compounding of offences for the year ended March 31, 2019.

Annuexure VII

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

(₹ in Lakhs)

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars			
	Name and Designation	**Remuneration of directors/ KMPs for the financial year 2018-19**	**Median Salary**	**Ratio of the remuneration of each director to the median remuneration of the employees**	**% increase in Remuneration in the financial year 2018-19**
	Ashok Reddy, Managing Director	111.64	2.86	39.09	12.73%
	Manish Mahendra Sabharwal, Executive Director & Chairman	90.00	2.86	31.51	3.16%
	Latika Pradhan, Independent Director	2.60	2.86	0.91	73.10%
	Narayan Ramachandran, Independent Director	2.00	2.86	0.70	33.16%
I & II	V. Raghunathan, Independent Director	2.00	2.86	0.70	33.20%
	Ravi Vishwanath, Chief Financial Officer	121.21	2.86	42.44	-4.70%
	C. Mruthunjaya Murthy, Company Secretary (Resigned w.e.f. 31.05.2018)	9.72	2.86	3.40	-60.88%
	Alaka Chanda, Company Secretary (Appointed w.e.f. 30.10.2018)	8.55	2.86	2.99	–
III	Percentage increase in the median remuneration of employees in the financial year	Median Remuneration during the year was ₹2.86. The median remuneration was increased by 6.26%.			
IV	Number of permanent employees on the rolls of company	1384 Core Employees as on March 31, 2019			
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	a) Average increase/(decrease) in remuneration of employees other than the Managerial Personnel – 6.23%. b) Average increase in remuneration of Managerial Personnel – 8.25%.			
VI	The key parameters for any variable component of remuneration availed by the directors	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.			
VII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.			

Annuexure VIII

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

Top 10 employees in terms of remuneration drawn during the year:

NAME	DESIGNATION	EDUCATIONAL QUALIFICATION	AGE	EXP IN YEARS	DATE OF COMMENCEMENT OF EMPLOYMENT	REMUNERATION IN FISCAL 2019 (IN LAKHS)	PREVIOUS EMPLOYMENT AND DESIGNATION
Rituparna Chakraborty*	Executive Vice President	PGDM	44	19	06 Jan 2003	218.73	Monster, Key Accounts Manager
Parag Lalitkumar Modi*	Senior Vice President	BE (Electronics & Communication)	45	22	12 Apr 2018	123.25	G4S Plc - Director - Global Development Centre
Ravi Vishwanath*	Chief Financial Officer	B.Com, FCA	56	36	14 Feb 2011	121.21	Sun Microsystems India Private, Bangalore, Finance Director - India GEM
Ashok Reddy*	Managing Director	B.Com, PGDM	49	21	01 Jan 2007	111.64	Director, India Life
Sharanabasappa Shirol**	Senior Vice President	B.E	44	22	14 Feb 2005	107.67	Hewitt Outsourcing Services, Senior Software Engineer
Manish Mahendra Sabharwal	Executive Chairman	B.Com, MBA	49	23	01 Apr 2013	90.00	CEO, Hewitt Outsourcing (Asia), Singapore
Neeti Sharma	Senior Vice President	Master of Arts	48	28	26 Jul 2004	76.90	APTECH Ltd - AGM
Sushobhan Baral	Vice President	B.Com	53	29	24 Jan 2011	68.34	CPP Assistance Services Pvt Ltd, Head - Finance
Ajay Shah	Vice President	Bachelor of Commerce	45	23	10 Nov 2005	59.19	Vigent Info Solutions - Sr.Manager - Corporate Sales
Ritesh Mathur***	Vice President	Bachelor's Degree in Hotel Management	41	22	02 Jul 2018	55.69	Quintiles - Head of HR

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

** Mr. Sharanabasappa Shirol resigned with effect from March 29, 2019.

*** Mr. Ritesh Mathur resigned with effect from March 14, 2019.

Note:

1. The details in the above table are on accrual basis for better comparibility with the Key Managerial Personnels (KMP) remuneration disclosures included in other sections of this Annual Report.
2. Employees mentioned above are neither relatives of any director of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015.

Your Company is committed to the principles of 'Accountability', 'Transparency' and 'Fairness' in its dealing with stakeholders. Accordingly, in the endeavor to take balanced care of stakeholders, your Company adheres to good corporate governance practices in its business processes. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company's terms of appointment with Independent Directors suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013. These Codes and terms of appointment are available on the Company's website and can be accessed at www.teamleasegroup.com

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

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

Accountability

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mind-set of end-to-end ownership throughout the organization. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our clients, employees, shareholders, vendors, government agencies, society, medical community, customers and business partners, and supply chain participants.

Transparency

For us, transparency is the key to healthy self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long standing trust among our stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

Fairness

We practice fair play and integrity, in our transactions with all stakeholders, both within and outside the organization. We conduct ourselves in the most equitable manner.

Competent leadership and management

We believe that dynamic, diverse and experienced Board with focus on excellence plays a pivotal role in organization's corporate governance aspirations. In view of this, we endeavour to maintain Board composition that brings healthy balance of skills, experience, independence, assurance, growth mind-set and deep knowledge of the sector.

Empowerment

The empowerment of leaders and employees is an important step in enabling high performance and developing leadership capability within the Company. They define a common vocabulary and approach for building leadership within the Company.

Our governance conforms to global standards through continuous evaluation and benchmarking. The broad tenets Company follows are:

- Transparent procedures, practices and decisions based on adequate information.
- Compliance with all relevant laws in letter and spirit.
- High levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Constitution of various Committees such as Audit, Nomination, and Remuneration, Risk Management, Corporate Social Responsibility, Stakeholders' Relationship etc.

- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Meetings of Independent Directors without the presence of any Non-Independent / Executive Directors and members from the management to identify areas, where they need more clarity or information and for open and transparent discussions and placing these before the Board and management.
- Formal induction schedule and familiarization programme for new Board members that enable them to meet individually with the top management team, etc.
- Regular reviews and establishing effective meeting practices that encourage active participation and contribution from all members.
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities.
- Well-defined corporate structure that establishes checks, balances and delegates decision making to appropriate levels in the organization though the Board always remains in effective control of affairs.

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

I. Company's philosophy on Corporate Governance

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

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

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

Corporate governance at TeamLease Services Limited is implemented through robust board governance processes, internal control systems and processes, and strong audit mechanisms. These are articulated through Company's Code of Business Conduct, Corporate Governance Guidelines and charters of various subcommittees of the Board and Company's Disclosure Policy. TeamLease Services Limited's corporate governance practices can be described through the following four layers:

- Governance by the Shareholders
- Governance by Board of Directors
- Governance by Sub-Committees of Board, and
- Governance through Management process

II. Shareholders

The Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") prescribe the governance mechanism by shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions. Your Company follows a robust process to ensure that the shareholders of the Company are well informed of Board decisions both on financial and non-financial information and adequate notice with a detailed explanation is sent to the shareholders well in advance to obtain necessary approvals.

III. Board of Directors

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

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

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

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

A. Roles, Responsibilities and Duties of the Board

The Board of Directors is the apex body constituted by shareholders and is vested with the powers of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company, and has been steering the Company towards achieving its business objectives. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders.

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

B. Chairman:

The Chairman acts as the leader of the Board and presides over the meetings of the Board and the shareholders. The primary responsibility is to ensure that collectively Board is effective in its task of setting and implementing the Company's strategy. He oversees the conduct of the Board and ensures that it adheres to the statutory requirements and good governance practices in letter and spirit.

His role, inter alia, includes to:

- Provide leadership to the Board & preside over all Board & General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company's strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

C. Managing Director (MD)

The day to day management of the operations rest with the MD. He is responsible for the business performance, driving growth and implementation of strategic decisions taken at the Board level. As the MD of the Company, his priorities include articulating TeamLease Services Limited's long-term strategy based on organic & inorganic initiatives, defining innovation agenda for the Company, balancing growth imperatives with the margin and return on capital thresholds, executing Company's roadmap to maintain momentum across the markets in which it operates, augmenting the capabilities in operations and support functions, and building a strong talent focused organization ready to take on the challenges. The MD works under the supervision of the Board of Directors and is vested with the sufficient power of the management to undertake day to day affairs.

D. Non-Executive Directors including Independent Directors play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes to:

- Impart balance to the Board by providing independent judgement.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements

E. Composition of the Board

As on March 31, 2019, the Board of Directors has 6 members, consisting of four Independent Directors and two Executive Directors. Mr. Manish Mahendra Sabharwal is the Chairman and Mr. Ashok Reddy is the Managing Director of your Company. The Independent Directors are renowned professionals drawn from diverse fields possessing requisite qualification and experience in general corporate management which enable them to contribute effectively to your Company and enhance the quality of Board decision making process. The Independent Directors annually provide a Certificate of Independence in accordance with the applicable laws which is taken on record by the Board.

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

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

Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on March 31, 2019

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

Name of the Director	Designation	Category	No. of Directorship(s) and Committee(s) Membership(s)/ Chairpersonship(s) (excluding the Company)		
			Other Directorship(s)*	Committee Membership**	Committee Chairpersonship**
Mrs. Latika Pradhan	Non-Executive Independent Director	Independent Non-Executive Director	1	1	-
Mr. Narayan Ramachandran	Non-Executive Independent Director	Independent Non-Executive Director	1	-	-
Mr. V. Raghunathan	Non-Executive Independent Director	Independent Non-Executive Director	-	-	-
Mr. Zarir Batliwala	Non-Executive Independent Director	Independent Non-Executive Director	-	-	-

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

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

Notes:

1. None of the Directors hold Directorships in more than 20 companies including 10 public limited companies and private companies which are either subsidiary or holding company of a public company pursuant to Section 165 of the Companies Act, 2013.
2. None of the Directors hold membership in more than 10 committees or chairpersonship of more than 5 committees as required under Regulation 26 of the SEBI LODR Regulations, 2015.
3. The Directorship/Committee membership is based on the disclosures received from the Directors as on March 31, 2019.
4. No director has any inter-se relationship with other Directors.

F. Changes in the composition of the Board

Mr. Zarir Batliwala was appointed as Independent Director of the Company during the year under review on March 29, 2019. Brief profile of Mr. Batliwala is detailed in Notice of the Annual General Meeting of the Company and the Board's Report.

Mr. Ashok Reddy, Managing Director who retired by rotation was reappointed as Managing Director at the Eighteenth Annual General Meeting of the Company.

Resignations or removal of the Directors, if any

None of the Directors resigned during the year under review.

G. Appointment of Independent Directors

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation.

Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and SEBI LODR Regulations 2015.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website at https://www.teamleasegroup.com/policy-documents

Further, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, the Company has obtained a certificate from Mr. Mukesh Siroya , M Siroya and Company, Company Secretaries (FCS No. 5682, CP No. 4157) dated May 28, 2019 that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority for the year under review.

H. Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. https://www.teamleasegroup.com/policy-documents

I. Number of Independent Directorships

As per Regulation 17A of the SEBI LODR Regulations, 2015 Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

J. Policy for Selection and Appointment of Directors and their Remuneration

Nomination and Remuneration Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

K. Criteria of Selection of Independent Directors

The Nomination and Remuneration Committee considers, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- Qualification, expertise and experience in their respective fields.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- Diversity of thought, experience, knowledge, perspective and gender in the Board.
- Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively. The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

Further pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified SEBI LODR Regulations 2015 read with Amendments thereof and are independent of the management.

L. List of core skills/expertise/competencies

Further pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, below are the list of core skills/expertise/competencies identified by the Board of Directors for the year under review as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

Sl. No.	Category	Core skills/expertise/competencies identified by the Board of Directors	Available with the Board
1	Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions	Yes
2	Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities	Yes
3	Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth	Yes
4	Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans	Yes
5	Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices	Yes
6	Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation	Yes
7	Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide	Yes

M. Other listed entities where our Board Members are director and the category of directorship

Pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, the details of the listed entities where our Board Members are director as on March 31, 2019 and the category of directorship are given below:

Name	Other Listed Entity	CIN	Category of Directorship
Manish Mahendra Sabharwal	Pennar Industries Limited	L27109AP1975PLC001919	Director
	Pennar Engineered Building Systems Limited	L45400TG2008PLC057182	Director
Narayan Ramachandran	Future Lifestyle Fashions Limited	L52100MH2012PLC231654	Alternate Director
Latika Prakash Pradhan	Mafatlal Industries Limited	L17110GJ1913PLC000035	Director
Zarir Batliwala	-	-	-
Ashok Reddy	-	-	-
V. Raghunathan	-	-	-

IV. Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through Circular Resolutions. The Circular Resolutions are noted at the subsequent Board Meeting

A. Information Flow to the Board Members

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition, specific cases of acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board for their approval.

As a system, in most cases, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board Members are taken and considered while preparation of agenda and documents for the Board meeting.

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

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

B. Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI LODR Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

C. Post-Meeting Follow-up System

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

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

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

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

D. Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

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

During the year April 01, 2018 to March 31, 2019, the Board of Directors met 5 times. The gap between any two Board meetings during this period did not exceed one hundred and twenty days as stipulated under Section 173 (1) of the Companies Act, 2013 and Regulation 17 (2) of SEBI LODR Regulations, 2015 and the Secretarial Standard by ICSI.

Sl. No.	Type of Meeting.	Date of the meeting
1	Board Meeting	May 16,2018
2	Board Meeting	July 24, 2018
3	Board Meeting	October 30, 2018
4	Board Meeting	January 29, 2019
5	Board Meeting	March 23, 2019

A. Attendance of Directors at Board Meetings and Annual General Meeting:

Director	No. of Board Meetings		Attendance at last AGM (December 19, 2018)
	Held during directorship	Attended	
Mr. Manish Mahendra Sabharwal	5	5	No
Mr. Ashok Reddy	5	5	Yes
Mrs. Latika Pradhan	5	5	Yes
Mr. Narayan Ramachandran	5	5	No
Mr. V. Raghunathan	5	3	No

B. Discussions with Independent Directors and External Auditors

The Board's policy is to regularly have separate meetings with Independent Directors and External Auditors of the Company, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

VI. Shareholding of Non-Executive Directors

None of the non-executive directors except Mr. Narayan Ramachandran, Independent Director held any shares in the Company during the year ended March 31, 2019.

VII. Pecuniary Relationship

There were no pecuniary relation or transactions of non-executive directors vis-a-vis the Company other than the sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company

VIII. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors of your Company met once during the year on January 29, 2019 without the presence of Non-Independent Directors and members of the management. The meeting was conducted in an informal and flexible manner to enable the Independent Directors to inter alia, discuss matters pertaining to review of performance of Non Independent Directors and the Board as a whole, review the performance of the Chairman of the Company after taking into account the views of the Executive and Non-Executive Directors, asses the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All Independent Directors except Mr. V. Raghunathan had attended the Independent Directors meeting.

IX. Directors' Induction and Familiarization

At the time of appointment, the Company conducts familiarization programmes for an Independent Director through meetings with key officials such as Executive

Chairman and Managing Director, Chief Financial Officer, Head of Human Resources, General Counsel, Company Secretary and other senior business leaders. During these meetings, presentations are made on the roles and responsibilities, duties and obligations of the Board members, Company's business and strategy, financial reporting, governance and compliances and other related matters. Details regarding familiarization programme imparted by the Company for the year under review is available on our website at https://www.teamleasegroup.com/policy-documents

As part of ongoing training, the Company schedules quarterly meetings of business heads and functional heads with the Independent Directors. During these meetings, comprehensive presentations are made on the various aspects such as business models, new strategic initiatives, risk minimization procedures, recent trends in technology, changes in domestic industry scenario, and regulatory regime affecting the Company. These meetings also facilitate Independent Directors to provide their inputs and suggestions on various strategic and operational matters directly to the business and functional heads.

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

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

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

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

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

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

X. Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and Executive / Non-executive / Independent Directors

In terms of the requirements of the Companies Act 2013 and pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI LODR, Regulations, 2015, read with SEBI LODR Amendment Regulations, the Board carried out the Annual Performance Evaluation of the Directors, Board Committees and the Board as a whole. During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. It is specifically informed that directors subject to evaluation did not participate in the own evaluation process.

The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members.

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

Some of the performance indicators, based on which the Independent Directors are evaluated include:

- The ability to contribute to and monitor our corporate governance practises.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- performance of the directors
- fulfillment of the independence criteria as specified in these regulations and their independence from the management:

The criteria for the performance evaluation included the following:

- The Board – Structure, composition and quality of Board, Board meeting schedule, agenda and collaterals, board meeting practices and overall board effectiveness.
- Board Committees – Composition, charter, information flow and effectiveness of the meetings, recommendation to the Board, etc.
- Individual Directors – Attendance at the meetings, preparedness for discussion, quality of contribution, engagement with fellow board members, KMPs and senior management, etc.
- The Chairman - The Chairman was additionally evaluated on few parameters such as leadership provided to the Board, promoting effective participation of all board members in the decision making process, etc.

The Independent Directors had their meeting on January 29, 2019 to assess the performance of the Board and committees as a whole and for the assessment of Executive Chairperson, Executive Director, Non-executive director, Board and Committees as a whole.

The Board was largely satisfied with the effectiveness and governance standards as well as the performance of the Board, board committees, and the individual Directors. Suggestions of the board members to further strengthen the Board effectiveness were noted and taken up for implementation.

XI. Succession Planning

We have an effective mechanism for succession planning which focuses on orderly succession of Directors, including Executive Directors and other senior management team and executive officers. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board.

XII. Committees of the Board

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

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

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

Committees of the Board are as under:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Stakeholders' Relationship Committee
D. Corporate Social Responsibility Committee
E. Risk Management Committee

A. Audit Committee

The Audit Committee has been constituted in terms of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015.

The Committee meets at the frequent intervals depending upon the requirements. The Audit Committee comprises of the following members on the date of reporting:

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

Terms of Reference

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

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee;

3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4) Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;

    b. Changes, if any, in accounting policies and practices and reasons for the same;

    c. Major accounting entries involving estimates based on the exercise of judgment by management;

    d. Significant adjustments made in the financial statements arising out of audit findings;

    e. Compliance with listing and other legal requirements relating to financial statements;

    f. Disclosure of any related party transactions; and

    g. Qualifications in the draft audit report.

6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed Offer by the Company;

8) Approval or any subsequent modifications of transactions of the Company with related parties;

9) Scrutinizing of inter-corporate loans and investments;

10) Valuing of undertakings or assets of the Company, wherever it is necessary;

11) Evaluating of internal financial controls and risk management systems;

12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15) Discussing with internal auditors on any significant findings and follow up there on;

16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19) Reviewing the functioning of the whistle blower mechanism;

20) Reviewing the management discussion and analysis of financial condition and results of operations;

21) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

22) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

23) Statement of Deviations:

    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32(1) of SEBI LODR Regulations, 2015.

    b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI LODR Regulations,2015.

Details of Audit Committee Meetings

The Audit Committee met four times during the Financial Year ended March 31, 2019 on May 16, 2018; July 24, 2018; October 30, 2018 and January 29, 2019. The Audit Committee Meetings were held with gap of not more than 120 days between two consecutive meetings as required under the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015.

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

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mrs. Latika Pradhan	Chairperson	4	4
Mr. Narayan Ramachandran	Member	4	4
Mr. V. Raghunathan	Member	4	3

Cases of non-acceptance by the Board of Directors, of any recommendation of the Audit Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

B. Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 and Part D of Schedule II of SEBI LODR Regulations, 2015.

The Committee meets at the frequent intervals depending upon the requirements. Nomination and Remuneration Committee comprises of the following members of the Board on the date of reporting:

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

Terms of Reference:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the Independent Directors and the Board;

3. Devising a policy on Board Diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;

5. Determining the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;

6. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component including the matter relating to ESOP grants as per the scheme formulated by the Company;

7. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

8. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

9. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of Performance Evaluation of Independent Directors.

The members of the Nomination and Remuneration Committee met two times during the year under review i.e. on June 04, 2018 and October 30, 2018.

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

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

Cases of non-acceptance by the Board of Directors, of any recommendation of the Nomination and Remuneration Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof:

NIL

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

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

C. Stakeholders' Relationship Committee

Pursuant to provisions of Section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the SEBI LODR Regulations, 2015, Stakeholders' Relationship Committee has been constituted by the Board. The Committee meets at frequent intervals depending upon the requirements Stakeholders' Relationship Committee comprises of the following members of the Board on the date of reporting:

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

Terms of reference

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

Cases of non-acceptance by the Board of Directors, of any recommendation of the Stakeholders Relationship Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof:

NIL

D. Corporate Social Responsibility (CSR) Committee

The CSR Committee is formed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the relevant Rules. The CSR Committee meets at frequent intervals depending upon the requirements.

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

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

Terms of reference

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

During the year under review the Committee met one time i.e., on January 29, 2019

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

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. V. Raghunathan	Chairman	1	0
Mr. Manish Mahendra Sabharwal	Member	1	1
Mr. Ashok Reddy	Member	1	1

Cases of non-acceptance by the Board of Directors, of any recommendation of the Corporate Social Responsibility Committee during the year under review, pursuant to Schedule V, Part C of Listing Obligations and Disclosure Requirements Regulations 2015 read with Amendments thereof:

NIL

E. Risk Management Committee

In terms of Regulation 21 of SEBI LODR Regulations, 2015, the Company has constituted a Risk Management Committee. The composition of the Committee is in conformity with SEBI LODR Regulations, 2015.

The Committee meets at frequent intervals depending upon the requirements.

Risk Management Committee comprises of the following members of the Board on the date of reporting:

Mr. Ashok Reddy	Chairman (Executive Director)
Mr. Manish Mahendra Sabharwal	Member (Executive Director)
Mrs. Latika Pradhan	Member (Executive Director)

Terms of reference

The Risk Management Committee shall:

- review and guide Risk Policy
- ensure that appropriate systems of control are in place, in particular, systems for risk management
- ensure that, while rightly encouraging positive thinking, it does not result in over-optimism that either leads to significant risks not being recognized or exposes the company to excessive risk
- have ability to, step back to assist executive management by challenging the assumptions underlying risk appetite

In adherence to the present regulatory mandates described herein above, the Risk Management Committee of the Board of Directors of the Company shall:

- Ensure an organization relevant and perpetual Risk Management framework for identifying, assessing, responding to, monitoring or controlling and reporting risks.
- Apply an organized, thorough approach to effectively anticipate and mitigate the probable or realistic risks that could endanger achievement of key objectives.
- Ensure systemic risk evaluation, categorization, and prioritization thereof to assign relative importance to identified risks to determine where appropriate management attention is required.
- Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
- Practice the highest level of control measures by installing mechanisms and tools, with involvement of all process-owners across the organization, to ensure that all applicable legal, regulatory, and business requirements are up-to-date and met.
- Develop alternative/ recommended courses of action for critical risks and control the probability of occurrence of the risk, keeping ready contingency plans for selected risks where the consequences of the risks are determined to be high.
- Review the activities, status, and results of the risk management process on a periodic and event-driven basis with appropriate levels of management and resolve issues i.e. gauging potential risk exposure and addressing the same with appropriate corrective action.
- Obtain, wherever required or desirable, the advice, opinion and assistance from outside legal, accounting, or other advisors, as necessary, to aid informed decision making.
- Co-ordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

The policy is also uploaded on the website of the Company at https://www.teamleasegroup.com/policy-documents

Cases of non-acceptance by the Board of Directors, of any recommendation of the Risk Management Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof:

NIL

XIII Details of Compliance Officer

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

Ms. Alaka Chanda, Company Secretary has been appointed as the Compliance Officer of the Company with effect from October 30, 2018.

The shareholders may send their concerns to corporateaffairs@teamlease.com.

XIV Details of shareholders' complaints received solved and pending share transfers

The total number of complaints received and resolved during the year ended March 31, 2019 was 2. There were no complaints outstanding as on March 31, 2019. The number of pending share transfers and pending requests for dematerialization as on March 31, 2019 were NIL. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on March 31, 2019.

Complaints pending as on April 01, 2018	0
Complaints received during the year	2
Complaints resolved during the year	2
Complaints pending as on March 31, 2019	0

The above table includes Complaints received from SEBI SCORES by the Company.

XV. Remuneration to Directors

A. Remuneration Policy:

Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel (KMPs) and other Employees. The policy is furnished as Annexure IV to Board's Report.

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

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

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

B. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid Sitting Fees for each Meeting of the Board or Committee as attended by them. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

During the year 2018-19, the Company paid sitting fees of ₹40,000 per Board Meeting and ₹20,000 for the Committee Meetings to Independent Directors for attending meetings of the Board and Committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. Kindly refer MGT-9(Annexure VI of the Board's Report) for details of remuneration paid to Directors and KMPs of the Company.

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

C. Remuneration to Executive Directors

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between him and the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is displayed on the Company's website viz. www.teamleasegroup.com. Presently, the Company does not have a stock options scheme for its Directors.

Kindly refer MGT-9 (Annexure VI of the Board's Report) for details of remuneration paid to Executive Directors of the Company.

D. Service Contracts, Notice and Severance Fees

As at March 31, 2019, the Board comprised 6 members including 2 executive directors and 4 non-executive Independent Directors. The executive directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees.

E. Criteria for making payment to Non-executive Directors

The criteria of making payment to the Non- Executive Directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions.

The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, science, technology or intellectual property.

F. Disclosure of relationships between Directors inter-se

There is no inter-se relationship between any Directors

XVI. General Body Meetings

I. General Meeting

A. Annual General Meeting ("AGM"):

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

Financial Year	Date	Time	Venue	Special Resolution passed
2015-16	August 02, 2016	3:00 PM	Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050	NIL
2016-17	July 07, 2017	3:00 PM	Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059	1. Ratification of Employee Stock Option Plan 2015 of TeamLease Services Limited 2. Approval of the new Grants under ESOP Scheme, 2015
2017-18	December 19, 2018	3:00 PM	Hotel Royal Orchid 1, Golf avenue, adjoining KGA Golf Course Airport Road, Bangalore 560 008, Karnataka	1. To increase the existing FPI (Foreign Portfolio Investors) limit from 75% to 100% of paid-up Capital of the Company

B) Postal Ballot conducted during the year 2018-19

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

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

Date of Postal Ballot Notice	May 16, 2018
Voting period	May 26, 2018 to June 25, 2018
Date of approval	June 25, 2018
Date of Declaration of Results	June 26, 2018

Details of Voting Pattern:

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

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

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

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

Date of Postal Ballot Notice	July 24, 2018
Voting period	September 07, 2018 to October 06, 2018
Date of rejection	October 06, 2018
Date of Declaration of Results	October 08, 2018

Details of Voting Pattern:

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

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

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

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

Date of Postal Ballot Notice	July 24, 2018
Voting period	September 07, 2018 to October 06, 2018
Date of rejection	October 06, 2018
Date of Declaration of Results	October 08, 2018

Details of Voting Pattern:

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

2. C. Procedure for postal ballot:

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

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

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

2D. Remote e-voting and insta-poll voting at the Annual General Meeting

To allow the shareholders to vote on the resolutions proposed at the Annual General Meeting, the Company has arranged for a remote e-voting facility. The Company has engaged Karvy to provide e-voting facility to all the members. Members whose names appear on the register of members as on August 16, 2019 shall be eligible to participate in the e-voting. The facility for voting through insta poll will also be made available at the Annual General Meeting, and the members who have not already cast their vote by remote e-voting can exercise their vote at the Annual General Meeting.

II. MEANS OF COMMUNICATION

1. Quarterly Results:

The quarterly and year to date financial results of the Company are published in leading newspapers in India which include, Financial Express and Jana Shakthi (till November 2018) and in Prajavani since December 2018. The results are also displayed on the Company's website under https://www.teamleasegroup.com/quarterly-results

2. News Releases, Presentations:

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

3. Presentations to Institutional Investors/ Analysts

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

4. Website:

The Company's website https://www.teamleasegroup.com contains a separate and dedicated section "Investors" wherein Shareholders information is available. The information such as press releases, notice of the Board meeting, revision in credit rating, clippings of newspaper publications etc., are uploaded on the website from time to time. The Company's Annual Report is also uploaded on the website in a user-friendly and downloadable form.

5. NSE Electronic Application Processing System (NEAPS)

NEAPS is a web based application designed by National Stock Exchange of India Limited for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases are electronically filed on NEAPS.

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

BSE Limited's 'Listing Centre' is a web based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases are electronically filed on the 'Listing Centre.'

7. SEBI Complaints Redress System (SCORES)

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

8. Annual Report

The Annual Report circulated to members and others entitled thereto in electronic as well as physical modes is disseminated to Stock Exchanges and is also uploaded on the Company's website.

XVII. General Shareholdrs Information

A. Annual General Meeting for FY 2018-19

Day, date and time	:	Friday, August 23, 2019 at 3.00PM
Venue	:	Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka India
Financial Year	:	April 01, 2018 to March 31, 2019
Cut-off date for determining the names of shareholders eligible to vote	:	Friday, August 16, 2019
Cut-off date for determining the names of shareholders eligible to get Notice of Annual General Meeting	:	Friday, July 19, 2019

B. Listing on Stock Exchanges:

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

Listing Fees as applicable have been paid.

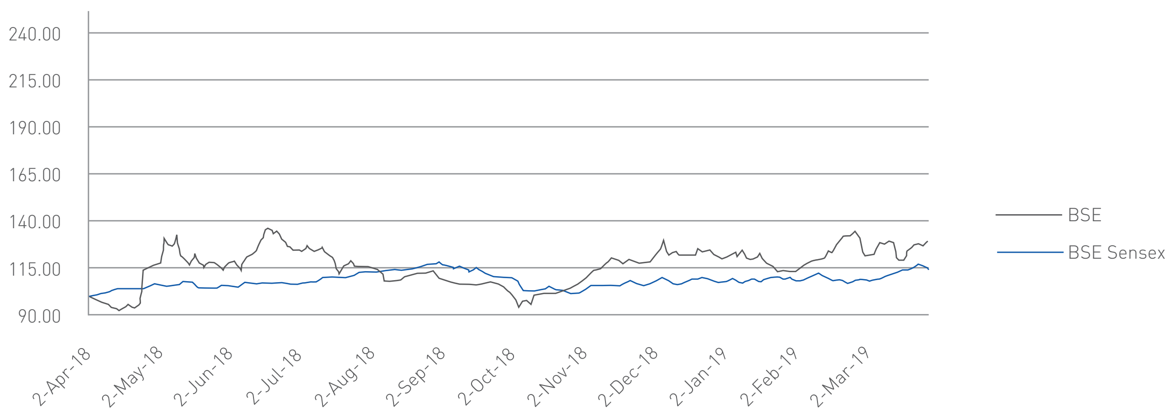
C. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2018-19 on National Stock Exchange of India Limited and BSE Limited:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-18	2,959.00	2,144.50	1719935	2,948.00	2,150.00	242976
May-18	3,218.00	2,576.05	1187324	3,219.00	2,575.00	130671
Jun-18	3,309.90	2,608.00	655606	3,338.85	2,600.00	52079
Jul-18	3,030.00	2,602.05	429050	3,028.00	2,600.00	105991
Aug-18	2,738.00	2,427.40	1039856	2,777.00	2,445.00	28733
Sep-18	2,611.95	1,989.65	267596	2,589.45	2,245.05	8205
Oct-18	2,614.95	2,150.25	319231	2,602.20	2,159.25	24754
Nov-18	2,878.00	2,545.00	165604	2,875.00	2,549.95	14663
Dec-18	3,057.80	2,760.00	286143	3,050.00	2,730.55	45845
Jan-19	2,979.00	2,499.80	213532	2,999.00	2,505.00	28545
Feb-19	3,210.00	2,652.80	393411	3,201.40	2,651.10	200147
Mar-19	3,057.00	2,702.70	530613	3,080.00	2,720.00	15570

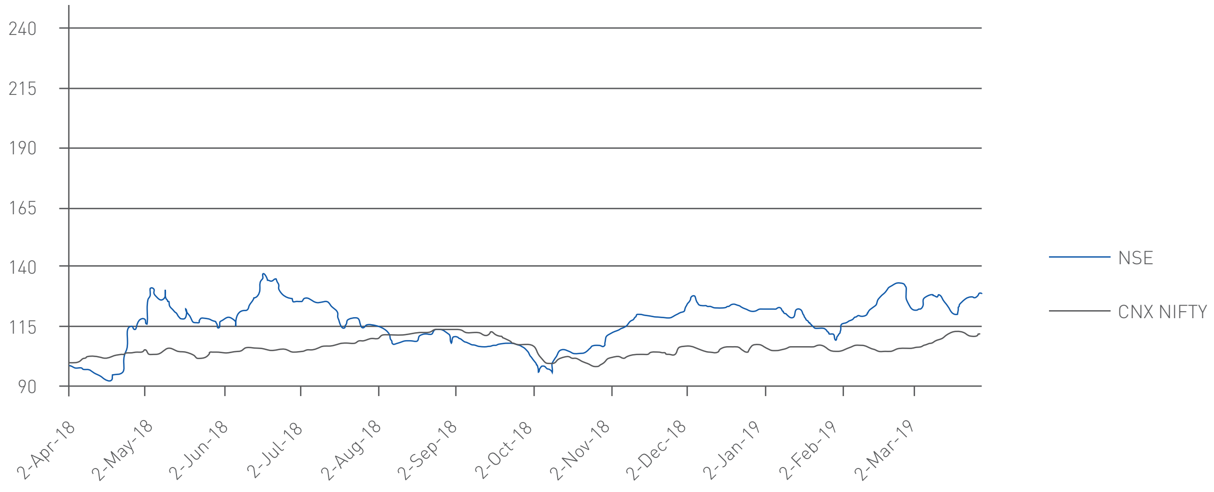
D. Performance of the share price of the Company in comparison to the BSE Sensex:

TeamLease share price and Sensex Movement



E. Performance of the share price of the Company in comparison to the CNX NIFTY:

TeamLease share price and NIFTY Movement



Base 100 = April 01, 2018

F. Registrar and Share Transfer Agent

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

Karvy Fintech Private Limited ('KARVY')
Karvy selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500032.
Telangana, India.
Tel: +91 040 67162222
Fax: +91 040 23001153
Email: einward.ris@karvy.com

G. Share Transfer System

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

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

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

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

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

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

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

H. Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

I. Suspension of Trading

None of the securities of the Company were suspended from trading on stock exchanges during the year under review.

J. Financial Year

Financial Year covers the period from April 1, 2018 to March 31, 2019

I. Shareholding as on March 31, 2019

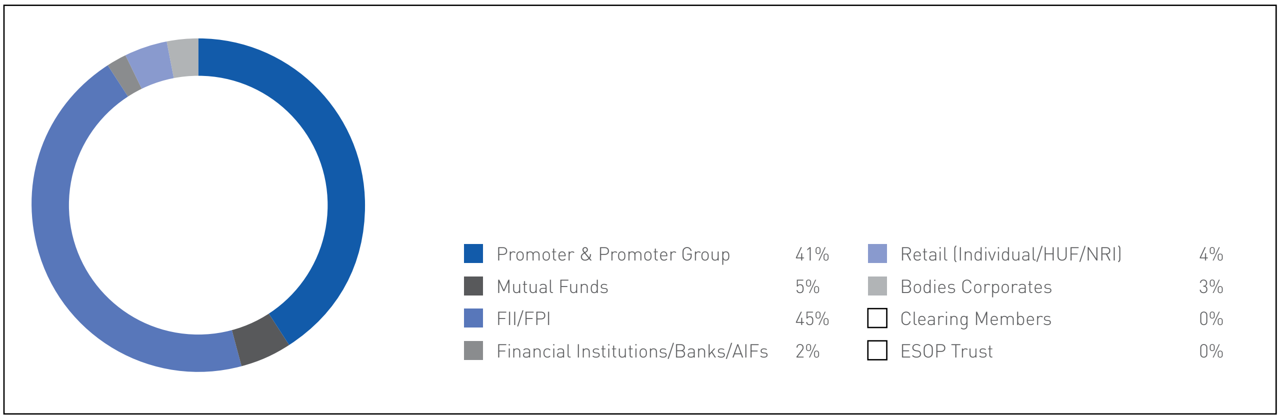
a. Distribution of equity shareholding as on March 31, 2019:

Sl. No.	Category (Shares)	No. of Shares	% To Holders	No. of Holders	% To Equity
1	1 - 5000	531053	98.48	7141	3.11
2	5001 - 10000	169742	0.33	24	0.99
3	10001 - 20000	316416	0.33	24	1.85
4	20001 - 30000	321683	0.18	13	1.88
5	30001 - 40000	172712	0.07	5	1.01
6	40001 - 50000	310288	0.10	7	1.81
7	50001 - 100000	640980	0.12	9	3.75
8	100001 & Above	14633895	0.39	28	85.59
	TOTAL:	**17096769**	**100.00**	**7251**	**100.00**

b. Category wise shareholding as on March 31, 2019:

Category	Number of equity shares held	Percentage of holding
Promoter & Promoter Group	69,71,243	40.78%
Mutual Funds	8,14,618	4.76%
FII/FPI	77,04,282	45.06%
Financial Institutions/Banks/AIFs	2,67,253	1.56%
Retail (Individual/HUF/NRI)	7,22,731	4.23%
Bodies Corporates	5,76,345	3.37%
Clearing Members	9,015	0.05%
ESOP Trust	31,282	0.18%
Grand Total	**1,70,96,769**	**100.00%**

Category of shareholding



c. **Top ten equity shareholders of the Company as on March 31, 2019**

Sl. No.	Name of the shareholder	Number of equity shareholders held	Percentage of holding
1	HR OFFSHORING VENTURES PTE LTD	44,00,812	25.74%
2	NED CONSULTANTS LLP	15,38,933	9.00%
3	DHANA MANAGEMENT CONSULTANCY LLP	8,94,413	5.23%
4	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	7,50,808	4.39%
5	INDUS INDIA FUND (MAURITIUS) LIMITED	6,01,819	3.52%
6	GOLDMAN SACHS INDIA LIMITED	5,77,902	3.38%
7	KOTAK FUNDS - INDIA MIDCAP FUND	5,75,879	3.37%
8	FIL INVESTMENTS(MAURITIUS)LTD	5,65,872	3.31%
9	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKE	4,92,733	2.88%
10	FRANKLIN TEMPLETON INVESTMENT FUNDS	4,79,567	2.81%

d. **Dematerialization of shares and liquidity:**

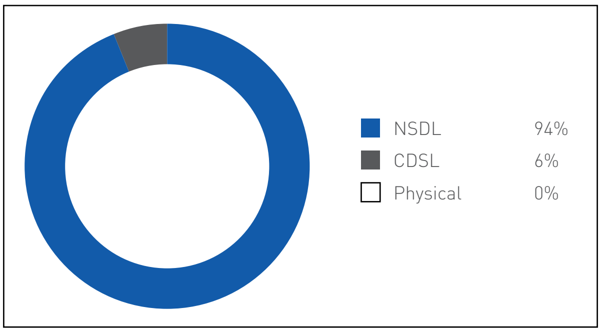
The Company's shares are compulsorily traded in dematerialized form on National Stock Exchange Of India Limited and BSE Limited. Equity shares of the Company representing 99.99% of the Company's equity share capital are dematerialized as on March 31, 2019.

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

e. **Shares held in dematerialized status as on March 31, 2019:**

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	16037785	93.81%
Shares held in CDSL	1057933	6.19%
Shares held in Physical form	1051	0.01%

Demat status as on March 31, 2019



XVIII. Other Disclosures:

i. **Materially Significant Related party transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, 2015 during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis. The Board of Directors has approved a policy for related party transactions which has been uploaded on the Company's website at the following link https://www.teamleasegroup.com/policy-documents

ii. **Non-compliance by the Company (if any)**

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the year under review forms part of MR 1-Secretarial Audit annexed to Board's Report.

iii. **Whistle Blower Policy / Vigil Mechanism**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI LODR Regulations, 2015 and Section 177 (9) & (10) of Companies Act 2013, for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairperson of the Audit Committee. The said policy has been also put up on the website of the Company at the following link https://www.teamleasegroup.com/policy-documents.

iv. **Compliance with mandatory requirements of the Listing Regulations**

Details of compliance with mandatory requirements and adoption of non-mandatory requirements: The Company duly complied with all the mandatory requirements of the Listing Regulations.

v. Determination of the material subsidiary

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

All the subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage these companies in the best interest of respective stakeholders. The Company nominates its representatives on the Board of subsidiary companies and monitors performance of such companies, inter alia, by reviewing;

- Financial statements, the investment made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials being reviewed by the Audit Committee of the Company on a quarterly basis.
- Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.
- Providing necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

vi. Policy pertaining to determination and disclosure of the material events/information

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

vii. Reconciliation of share capital audit:

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

viii. Code of Conduct:

The members of the Board and senior management personnel have affirmed the compliance with Code of Conduct applicable to them during the year ended March 31, 2019. The Annexure I of the Corporate Governance Report contains a certificate by the Managing Director in terms of SEBI LODR Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

ix. Subsidiary Companies:

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material Indian subsidiary companies.

x. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to time. The Company has duly fulfilled the discretionary requirements as prescribed in Schedule II Part E of the SEBI LODR Regulations, 2015.

Non-mandatory (discretionary) requirements under Regulation 27 of the SEBI LODR Regulations, 2015. The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- The Board

  The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

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

  None of the Independent Directors of the Company is a non-independent director of another company on the Board of which any non-independent director of the Company is an Independent director.

  No person has been appointed or continues as an alternate director for an independent director of a the Company.

- Shareholders rights

  The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

- Modified opinion(s) in Audit Report

  There are no modified opinions in Audit Report.

- Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action. Grand Thornton, Chartered Accountants Bangalore, the Internal Auditors of the Company, make presentations to the audit committee on their reports on a quarterly basis.

- Disclosures with respect to demat suspense account/ unclaimed suspense account: NIL.
- Trading window closure for financial results is from the beginning of the quarter till 48 hours after the Unpublished Price Sensitive Information (UPSI) becomes generally available.

xi. Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

xii. Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

xiii. Code for Prevention of Insider Trading Practices

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons/ employees/ directors, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the above said Code.

The Code of Conduct for Prevention of Insider Trading (Insider Trading Code) was updated to commensurate with the existing organisation structure and changes in regulatory environment. The revised Insider Trading Code was adopted by the Board at its meeting held in January 29, 2019. The Insider Trading Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares. The Insider Trading Code restricts the connected persons, who are designated as such under the Insider Trading Code, from disclosing any price sensitive information and imposes strict confidentiality obligations on persons who have access to any price sensitive information in relation to the Company. It also prohibits the designated person from dealing in shares of the Company who is in possession of unpublished price sensitive information, forward contracts, derivatives, portfolio management schemes, amongst the others.

In order to ensure rigour of the Insider Trading Code, the employees were familiarised with the revised Insider Trading Code through training programmes and other periodical communications. The employees were also sensitised on ways to handle price sensitive information and information confidentiality.

xiv. MD/CFO Certification

The Managing Director (MD) and Chief Financial Officer (CFO) of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of SEBI LODR Regulations, 2015 for the financial year ended March 31, 2019.

The MD and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI LODR Regulations, 2015. The annual certificate given by the MD and the CFO is published in this Report as Annexure-II of this Corporate Governance Report.

xv. Uday Kotak Committee Recommendations

In June 2017, SEBI set up a committee under the chairmanship of Shri Uday Kotak to advise on issues relating to corporate governance in India. In October 2017, the committee submitted a report containing its recommendations, which were considered by SEBI in its Board Meeting held in March 2018. On May 9, 2018, SEBI notified SEBI LODR (Amendment) Regulations, 2018 implementing majority of these recommendations effective from April 1, 2019 or such other date as specified therein. The Company substantially complies with the amendments notified and wherever there are new requirements, it will take necessary steps to ensure compliance by the effective date.

Pursuant to Regulation 33 (8) of SEBI LODR Amendment Regulations 2018, the Statutory Auditor of the Company shall undertake a Limited Review of the audit of all the Subsidiaries, Joint Ventures and Associates whose accounts are to be consolidated with the Company as per Accounting Standard 21 with effect from April, 01, 2019 in accordance with guidelines issued by SEBI on this matter.

xvi. Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization

xvii. Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

xviii. Policy for Determination of Legitimate Purposes

The Company has formulated a comprehensive Policy for Determination of Legitimate Purposes This Policy is formulated pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018 for determination of legitimate purpose of for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any. This Policy was implemented from January 29, 2019, the date of approval by the Board of Directors.

The Policy is also hosted on the website of the Company at https://www.teamleasegroup.com/policy-documents

xix. Policy on enquiry of leak of Unpublished Price Sensitive Information

The Company has formulated a comprehensive Policy for enquiry of leak Unpublished Price Sensitive Information. This Policy is formulated as per requirement of Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for enquiry procedure in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information. This Policy was implemented from January 29, 2019, the date of approval by the Board of Directors.

The Policy is also hosted on the website of the Company at https://www.teamleasegroup.com/policy-documents

xx. Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 2013, at least two thirds of the Board should consist of retiring Directors, of these, at least one third are required to retire every year.

Ms. Manish Mahendra Sabharwal (DIN 00969601), Chairman, of the Company, being the longest in the office, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The detailed profile of the above director is provided as part of the Notice of the Annual General Meeting of the Company.

xxi. Accounting Treatment in Preparation of Financial Statements

In the preparation of the financial statements, the Company has followed existing Indian Accounting Standards. (Ind AS) The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

xxii. Details of Unclaimed Shares/Dividends

The Company has not declared / paid any dividends, hence the question of unclaimed shares/dividend does not arise.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

xxiv. Details of utilization of funds raised through preferential allotment or qualified institutions placement

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

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

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk and therefore no question of hedging. The Company has not entered into foreign currency swap/derivative transactions to cover the risk exposure on account of foreign currency transactions. Your Company follows the Accounting Policy and Disclosure Norms for swap/derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The foreign exchange exposure as on March 31, 2019 is NIL.

xxvi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable

xxvii. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice shall be made available for inspection at the Annual General Meeting.

xxviii.Cases where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable

xxix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Note 29 (c) to the Standalone Financial Statements and Note 29 (d) to the Consolidated Financial Statements under legal and Professional charges.

xxx. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

2013. The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.

xxxi. Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board

xxxii. Credit Rating

Pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, it is informed that the Company continues to maintain its credit ratings.

During the year under review, rating outlook on the long-term bank facility of the Company is upgraded to 'Positive' from 'Stable', by CRISIL. The rating on the commercial paper programme has been reaffirmed at 'CRISIL A2+' by CRISIL and A1 by ICRA.

xxxiii. Branch Locations:

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

xxxiv. Address for correspondence:

Corporate Governance & Compliance

Ms. Alaka Chanda
Company Secretary and Compliance Officer
Tel: 91 08 68243406
Email: alaka.dhawan@teamlease.com

Financial Disclosure

Mr. N Ravi Vishwanath
Chief Financial Officer
Tel: 91 80 68243344
E-mail id: ravi.vishwanath@teamlease.com

Investor Relations (Institutional Investors & Research Analysts)

Ms. Ramani Dathi
Finance Controller
Tel: 91 80 68243344
E-mail id: ramani.dathi@teamlease.com

Registrar and Share Transfer Agents

Karvy Fintech Private Limited
(Unit: TeamLease Services Limited)

Registered Office

Plot 31-32, Karvy Selenium, Tower B, Gachibowli,
Financial District,
Nanakramgud, Hyderabad – 500 032
E-mail id:einward.ris@karvy.com

XIX. Request to Shareholders

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

A. Demat of Shares:

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

B. Transfer of Shares:

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

However, in case of transfer of shares in physical mode till the effective date of the above amendment, shareholders should fill up complete and correct particulars in the transfer deed for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

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

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

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

C. Consolidation of Multiple Folios:

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

D. Registration of Nominations:

Section 72 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014, provides facility for making nominations by shareholders in respect of their holdings of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/ her nominees without having to go through the process of obtaining succession certificate/probate of will etc. Shareholders who have not availed nomination facility are requested to avail the same by submitting the nomination Form in SH-13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

E. Updation of Address:

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

F. Shareholder voting:

Shareholders are requested to cast their votes on the Resolutions mentioned in the Notice of the Nineteenth Annual General Meeting of the Company by using any one of the following options:

1. Vote in advance of the Annual General Meeting through remote e-voting process
2. Vote in person at the Annual General Meeting through insta poll

XX. Green Initiative in Corporate Governance

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

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

XXI. Compliance Certificate on Corporate Governance

Certificate received from Mr. Mukesh Siroya , M Siroya and Company, Company Secretaries (FCS No. 5682, CP No. 4157), having their office at A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066 confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) and Regulation 53(f) read with Schedule V (E) of the SEBI LODR Regulations, 2015 is annexed to this Corporate Governance Report as Annexure-III

XXII. Secretarial Audit

The Company's Board of Directors appointed Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, to conduct the secretarial audit of its records and documents for the Financial Year 2018-19. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 1996, SEBI LODR Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

XXIII. Details of Corporate Policies

Particulars Website Details/Links

Policy/Code	Weblink
Dividend Distribution Policy	https://www.teamleasegroup.com/policy-documents
Composition and Profile of the Board of Directors	https://www.teamleasegroup.com/board directors
Terms and conditions of appointment of Independent Directors	https://www.teamleasegroup.com/policy documents
Policy on Appointment and Removal of Directors	https://www.teamleasegroup.com/policy documents
Familiarisation Programme for Independent Directors	https://www.teamleasegroup.com/policy documents
Familiarisation Programme hours FY 2018-19 for Independent Directors	https://www.teamleasegroup.com/policy documents
Remuneration Policy of Directors, KMPs & Other Employees	https://www.teamleasegroup.com/policy documents
Code of Conduct	https://www.teamleasegroup.com/policy documents
Criteria of Making Payments to Non-Executive Directors	https://www.teamleasegroup.com/policy documents
Corporate Social Responsibility Policy	https://www.teamleasegroup.com/policy documents
Policy on Related Party Transactions	https://www.teamleasegroup.com/policy documents
Policy on Determining Material Subsidiary	https://www.teamleasegroup.com/policy documents
Whistle Blower Policy	https://www.teamleasegroup.com/policy documents

Policy/Code	Weblink
Document Retention and Archival Policy	https://www.teamleasegroup.com/policy documents
Prevention of Sexual Harassment (POSH) at Workplace	https://www.teamleasegroup.com/policy documents
Code of Conduct for Prevention of Insider Trading	https://www.teamleasegroup.com/policy documents
Legitimate Purpose policy	https://www.teamleasegroup.com/policy documents
Policy on enquiry of leak of Unpublished Price Sensitive Information	https://www.teamleasegroup.com/policy documents

XXIV. The Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46(2) of SEBI LODR Regulations 2015 read with its Amendments.

Sr. No	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/ No/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) &(3)	Composition of Risk Management Committee	Yes
		21(4)	Role of the Committee	Yes
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7) &(8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	NA
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	NA
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	NA
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes

Sr. No	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/ No/N.A.)
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarisation programmes imparted to Independent Directors	Yes

Annexure I-Corporate Governance Report

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

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

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Ashok Reddy
Managing Director
DIN: 00151814

Place: Bangalore
Date: May 28, 2019

Annexure II-Corporate Governance Report

MD and CFO Certification

To,
The Board of Directors,
TeamLease Services Limited

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

1) We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report for the year ended March 31, 2019 and to the best of our knowledge and belief :

   a. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;

   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

2) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 are fraudulent, illegal or violative of the Company's code of conduct.

3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

4) We have indicated to the auditors and the Audit Committee that:

   a. There has not been any significant change in internal control over financial reporting during the year under reference;

   b. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

	Ashok Reddy	**Ravi Vishwanath**
Place: Bangalore	Managing Director	Chief Financial Officer
Date: May 28, 2019	DIN: 00151814	

Annexure III-Corporate Governance Report

Secretarial Auditor's Certificate on Corporate Governance

To,
The Members,
TeamLease Services Limited

We have examined the compliance of conditions of Corporate Governance by M/s. TeamLease Services Limited ('the Company') for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations.

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

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

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

For M Siroya and Company
Company Secretaries

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

Date: May 28, 2019
Place: Mumbai

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Business Responsibility (BR) Report of TeamLease Services Limited (TeamLease) for the Financial Year 2018-19 follows the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business and the recently introduced National Guidelines on responsible business conduct, notified by the Ministry of Corporate Affairs (MCA), Government of India.

Our BR Report includes our response to questions on our practices and performance on key principles defined by Regulation 34 (2) (f) of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 covering topics across environment, governance and stakeholders' relationships. This BR Report illustrates TeamLease' s efforts towards creating enduring value for all its stakeholders in a responsible manner.

Section A – General Information about the Company

1	Corporate identity number (CIN) of the Company	L74140KA2000PLC118395
2	Name of the Company	TeamLease Services Limited
3	Registered address	6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India
4	Website	www.teamleasegroup.com
5	E-mail id	corporateaffairs@teamlease.com
6	Financial year reported	April 01, 2018 to March 31, 2019

7. Sector(s) that the Company is engaged in (industrial activity code-wise):
   National Industrial Classification (NIC)-Ministry of Statistics and Program Implementation.

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

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

Section B: Financial Details of the Company

₹ in Lakhs

Sl. No.	PARTICULARS	2018-19	
		Standalone	Consolidated
1	Paid-up Capital	1709.68	1709.68
2	Total Turnover	4,16,192.96	4,46,566.15
	Revenue from Operations	4,13,246.85	4,44,759.95
	Other Income	2,946.11	1,806.20
3	Profit After Tax	9,701.95	9,802.99

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

Section C: Other Details

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

Yes, as on March 31, 2019 the Company has 6 direct and indirect subsidiaries.

Particulars of the subsidiary companies are detailed in Annexure II of Board's Report - AOC 1.

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

Certain business responsibility initiatives in the area of ethics, transparency and accountability, sustainable use of resources and well-being of employees are being implemented in all the subsidiary companies. The subsidiaries of the Company are separate legal entities and follow BR initiatives as per rules and regulations as may be applicable to them.

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

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and to follow the concept of being a responsible business.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

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

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

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

b) Details of the BR head:

Sl. No.	Name	Details
1	DIN	Not applicable
2	Name	Ravi Vishwanath
3	Designation	Chief Financial Officer
4	Telephone number	91 80 6824 3344

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

The NVGs released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. The areas briefly are as follows:

Principle 1

Ethics, Transparency and Accountability [P1]

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

Principle 2

Products Lifecycle Sustainability [P2]

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

Principle 3

Employees' Well-being [P3]

Businesses should promote the well-being of all employees

Principle 4

Stakeholder Engagement [P4]

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

Principle 5

Human Rights [P5]

Businesses should respect and promote human rights

Principle 6

Environment [P6]

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

Principle 7

Policy Advocacy [P7]

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

Principle 8

Inclusive Growth [P8]

Businesses should support inclusive growth and equitable development.

Principle 9

Customer Value [P9]

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

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify in 50 words*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board. If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	v
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders'?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	Y	Y	Y	Y	Y	Y

**The Company is working on developing and improving its systems for evaluating the implementation of the policies. The policies are evaluated internally from time to time and updated whenever required.

* The policies conform to the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, National Guidelines on responsible business conduct notified by Ministry of Corporate Affairs, Government of India.

NOTE	PRINCIPLE	PARTICULARS	Weblink
1	1	Code of conduct Harassment free policy Code of conduct for prevention of insider trading	https://www.teamleasegroup.com/policy-documents
2	2	Code of conduct	https://www.teamleasegroup.com/policy-documents
3	3	Harassment free policy	https://www.teamleasegroup.com/policy-documents
4	4	Corporate Social Responsibility Policy	https://www.teamleasegroup.com/policy-documents
5	5	Code of conduct	https://www.teamleasegroup.com/policy-documents
6	6	Code of conduct	https://www.teamleasegroup.com/policy-documents
7	7	Public Policy Advocacy Policy	Public Policy Advocacy is yet to be formulated. However, the Company plays a strong role in public policy advocacy through regular engagement with external stakeholders including industry associates, government bodies and regulatory departments.
8	8	Corporate Social Responsibility Policy	https://www.teamleasegroup.com/policy-documents
9	9	Code of conduct	https://www.teamleasegroup.com/policy-documents

It has been the Company's practice to upload all policies on the intranet site for information and implementation by the internal stakeholders. However, Code of Conduct and Code of Conduct for Prevention of Insider Trading being applicable to both internal and external stakeholders are available on the Company's website, www.teamleasegroup.com

3. Governance Related to BR

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

The BR performance of the Company is annually assessed.

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

Pursuant to Regulation 34 of SEBI LODR Regulations,2015 (as amended from time to time), the Company publishes a BR Report as an Annexure to the Annual Report on an annual basis.

BR Report of the Company is available at the website of the Company at www.teamleasegroup.com

Section E: Principle-Wise Performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

TeamLease Services Limited is committed to achieving the highest principles of integrity and ethics. Our Code of Conduct (COC / Code) outlines the Company's expected standards of ethical conduct and behavior. Our core values represent mutual respect, trust and personal growth for all. The Code of Conduct extends to employees at all levels and other individuals working with the Company, its subsidiaries, associates, suppliers, service providers, channel partners and explicitly prohibits bribes, kickbacks, improper payments and direct them to ensure ethical business conduct.

Q&A pertaining to Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No	The policy relating to ethics, transparency and accountability covers the Company and its group companies including Joint Ventures and Associate Companies and the Suppliers / Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices. The Company believes in promoting growth without compromising on the ethical values of the organisation. This belief of the Company is echoed in the Policy on Ethics, Transparency and Accountability by avoiding any acts and practices that are abusive, corrupt, or anti-competitive
2	Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	Yes
3	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	The Company has in place a mechanism for dealing with complaints received from various stakeholders. The details of the shareholders complaints received and resolved during the financial year 2018-19 and provided in the Corporate Governance Report forming part of this Annual Report.

The three pillars supporting the governance structure of the Company are as under:

a. Ethics: In consonance with the Regulation 17 of SEBI LODR Regulations, 2015 (as amended from time-to-time), the Company has adopted a "Code of Business Conduct and Ethics" which mandates the Directors, Senior Management and Employees of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner.

b. Transparency: The Governance structure of the Company is further supported by a Vigil Mechanism Policy which serves as a tool for its directors and employees to report any genuine concerns about unethical behaviour, actual or suspected without fear of reprisal. The mechanism provides an avenue to stakeholders to raise concerns or violations pertaining to activities of the Company.

c. Accountability: In order to instil accountability amongst the employees of the Company and its Group companies, TeamLease Services Limited has in place an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons. The Code serves a threefold objective of: • monitoring the trades of designated employees of the Company; • obligating the employees to handle price sensitive information of the Company on a need-to-know basis thereby avoiding leakage of information; • mandating the employees to restrict unauthorized access to any individual other than the intended recipient of the information.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

While evaluating the impact of business operations, we aim to reduce any fallouts during the lifecycle of its services across the value chain.

Q&A pertaining to Principle 2

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or services opportunities	Temporary Staffing, Permanent Recruitment, Regulatory Consulting
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): • Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? • Reduction during usage by consumers (energy, water) has been achieved since the previous year	Not applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Not applicable
4	Has the company taken any steps to procure goods and services wherever possible from local &small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not applicable
5	Does the company have a mechanism to recycle products and wherever possible waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Not applicable

Principle 3 - Businesses should promote the well-being of all employees

The Company believes that its success depends on its ability to develop knowledge, skills and expertise of its employees. This belief translates in ensuring that every business vertical is equipped with right talent, which is both competent and engaged. The Company achieved this objective by undertaking various initiatives for talent development, employee engagement and communication.

Q&A pertaining to Principle 3

1	Please indicate the total number of employees.	Total number of employees including subsidiaries: 2742
2	Please indicate the total number of employees hired on temporary/contractual and casual basis	2021 employees including employees of subsidiaries and associates
3	Please indicate the number of permanent women employees.	1038 employees including employees of subsidiaries and associates
4	Please indicate the number of permanent employees with disability	The Company does not specifically track the number of disabled employees. The Company gives equal opportunities and treats all employees at par
5	Do you have an employee association that is recognized by management?	No
6	What percentage of your permanent employees is members of this recognized employee association?	NA
7	Please indicate the Number of complaints relating to, discriminatory employment category, child labour, forced labour, involuntary labour, sexual harassment (in the last financial year and pending, as on the end of the financial year	Complaints received during the Financial year under review: • discriminatory employment-NIL • child labour-NIL • forced labour-NIL • involuntary labour-NIL • sexual harassment-4 Complaints pending as on the end of the financial year: • discriminatory employment-NIL • child labour-NIL • forced labour-NIL • involuntary labour-NIL • sexual harassment-NIL

8	How many training sessions conducted in the financial year under review • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual • Employees with Disabilities	All employees of the Company are extended safety & skill up-gradation training conducted across organizations

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

The key stakeholders identified include: Customers, Employees, Business Partners (Suppliers and Vendors), Community, Investors, Government,Bodies, Industry Associations, Non-governmental Organizations (NGOs) and Academic Institutions. Our approach towards responsible and sustainable business practices undergoes a systematic mapping through regular engagement with its internal and external stakeholders. This practice helps the Company to prioritize key sustainability issues in terms of relevance to its business and stakeholders, including society and clients.

Q&A pertaining to Principle 4

1	Has the company mapped its internal and external stakeholders	Yes. The Company has mapped its stakeholders and they include, but are not limited to, shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company is an equal opportunity employer. It has policies instituted to prevent sexual harassment, aid safety of employees, obtain the voice of employees' opinions and grievances through employee touch base, periodic employee satisfaction surveys and code of conduct
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so	The Company engages with each of its stakeholders through multiple channels and includes engagement initiatives, feedback process, Code of Conduct briefings and investor meetings.

Principle 5 - Businesses should respect and promote human rights

Our Code of Conduct, Human Rights Policy and various HR Polices demonstrate our commitment towards protection of Human Rights across value chain and upholding highest level of ethical business practices.

Q&A pertaining to Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/ Others?	The Company supports and respects the protection of internationally proclaimed human rights, labour standards and environmental protection measures. The Company does not hire child labour, forced labour or involuntary labour and the practice extends to the entire TeamLease Group. The Suppliers / Contractors / NGOs dealing with the Company are always encouraged to maintain ethical standards in all their practices
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by management?	For details on investor complaints, refer to investor complaints section of Corporate Governance report. No complaints relating to Human Rights were received during the financial year.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

Along its journey towards path of sustainability, the Company explored and implemented several green solutions. It is also continuously in search of more energy efficient technologies and innovative solutions for a greener future.

Q&A pertaining to Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others	NA
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	NA
3	Does the company identify and assess potential environmental risks? Y/N	NA
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	NA
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As on date, the Company does not have any project registered with Clean Development Mechanism (CDM), but we are having various initiatives related to clean technology and we strive to identify CDM potential in all endeavors. • The employees are encouraged and informed regularly on effective utilization of natural resources like water, conservation of fuel and on electricity consumption.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	NA
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NA

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company works closely with all industry associations and trade chambers to ensure its public policy positions complement and advance its sustainability and citizenship objective.

Q&A pertaining to Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Indian Staffing Federation
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No, However, as a pioneering Staffing Company, TeamLease Services Limited engages with various Stakeholders including various government departments to facilitate progressive and pragmatic policies that can address the daunting challenges of the country.

Principle 8 - Businesses should support inclusive growth and equitable development

As India's leading staffing Company service provider, the Company has been taking sustained efforts to ensure value creation and sustainable growth of community. It sustainability framework is structured to create a positive impacts on its customers, partners, communities and society, helping them grow together and inclusively.

Q&A pertaining to Principle 8

1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof	The Company focusses on responsible business practices with community centric interventions. The thrust areas are sustainable livelihood – especially skill development and employability training and education, all of which constitute the Human Development Index – a quality of life indicator
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	The Company's core objective is to provide Education, Employment and Employability through skill development and training which is mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills.
3	Have you done any impact assessment of your initiative?	Yes
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	NIL, explanation in Annexure V of Board's Report
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	The Company's core objective is to provide Education, Employment and Employability through skill development and training which is mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

The long-term strategic goal of the Company is to innovate and deliver a wide range of cost effective, secured, timely, and customized services with the best technology. The Company actively seeks customer feedback, acts on it, and improves its customer service and in the process improve its products, services, and processes

Q&A pertaining to Principle 9

1	What percentage of customer complaints/consumer cases are - pending as on the end of financial year	Nil, A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. /Remarks (additional information)	Not applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	Nil
4	Did your company carry out any consumer survey/ consumer across satisfaction trends?	We interact with our clients on a regular basis and on multiple platforms. We are focused on paying close attention to the voice of the customer.

MANAGEMENT DISCUSSION & ANALYSIS

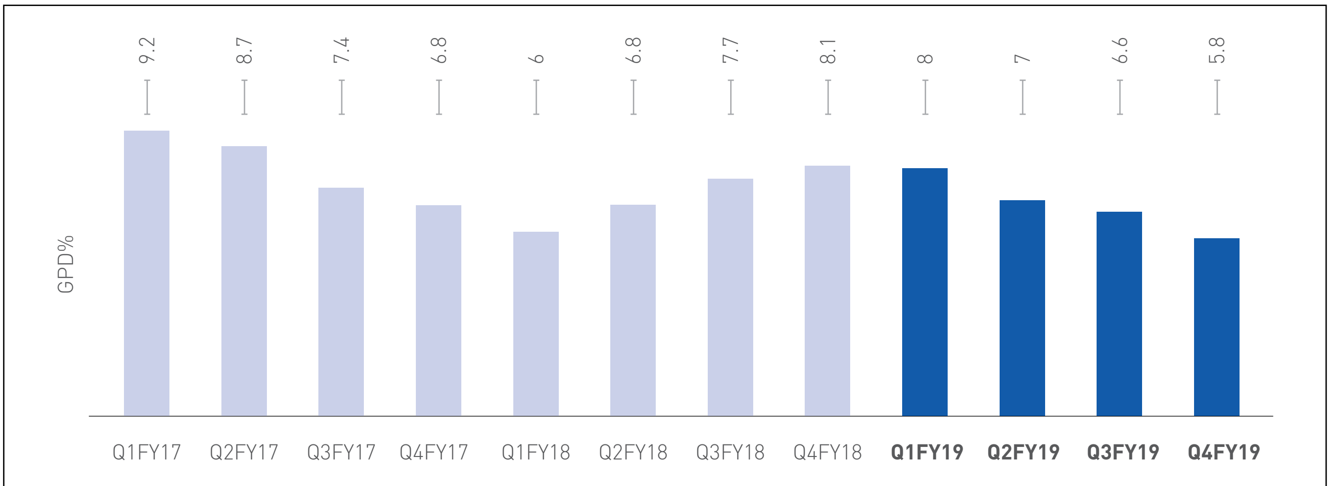
Indian Economic Scenario

The journey of Indian economy has been promising and the country remained one of the fastest growing major economy in FY2019. During the year under review, India grew at a robust rate of 6.8% on account of recovery from twin shock of demonetization and implementation of GST. This also provided boost to several other sectors in the economy. The macro-economic environment has also improved significantly during the last few years. Inflation is contained, fiscal consolidation has improved and foreign investment flows are growing annually. During the past few years, government has undertaken a plethora of reforms and corresponding budgetary allocations for each and every segment of the population to facilitate all-inclusive growth and sustainable development of the economy.

Further, the improvement in India's rank in Ease of Doing Business to 77th in 2019 reflects meticulous efforts of the government towards improving business environment in the economy. There has also been development in the industrial segment with a robust 8.1% growth in the manufacturing sector, on account of increased participation of manufacturing sector MSMEs creating a number of employment opportunities for the growing young workforce in India. Continuous reforms in housing and construction sector is also creating employment opportunities for millions of unskilled, semi-skilled and skilled workforce.

As India marches ahead on a solid growth trajectory, the economy is anticipated to grow at 7.2% in 2019-20 on account of robust growth in private consumption and strong inflow of FDI. The manufacturing sector is also expected to growth on the back of lower borrowing costs and rising demand for consumer goods, aided by government measures to boost disposable incomes. Further, about 100 million new jobs are anticipated to be created in the manufacturing and service sectors by 2030. To achieve this, the government is taking various initiatives such as widening skills gap, raising the participation of women in the workforce, and simplifying the labour laws. (Source: PHD Chamber of Commerce, ADB)

Quarterly GDP growth

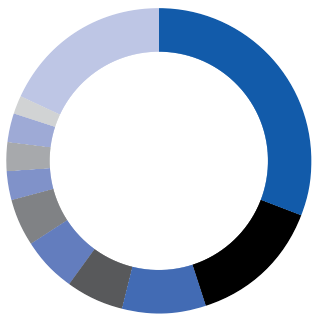


Industry Scenario

Global Staffing Industry

The global staffing industry grew by 5.3% over past 5 years, reaching the revenue of $523 billion in 2018. At the same time, the number of businesses grew by 2.8%, while number of employees projected a growth of 4.9%. Temporary staffing across the globe has gained prominence in the last few years, as companies seek flexibility and better cost management. This segment constitutes 2-4% of the total workforce for developed countries, and averages at 1.6% for the world, v/s 0.5% in India. The industry consists of temporary placement, permanent staffing, managed services provision and other services. During the year tech spending increased to 52% as compared to 40% in 2017. Staffing businesses made significant investment in AI technologies in order to attract and hire skilled workers.

In the highly competitive labour market, candidate experience is becoming increasingly important because of the rising competition. However, rising cases of unemployment is making it difficult on the part of staffing industry to find the required talent in order to fill the increasing demand. This is because the technology is growing at a faster pace as compared to skills of the candidates. Further, staffing firms are likely to face uncertainty on account of political issues such as immigration, healthcare and taxes. While being a challenge, the skill crunch in candidates provides opportunity to employers willing to invest in training workers with high potential and the ambition to grow. (Source: advance partners)



Indian Staffing Industry

The Indian staffing industry is valued at ₹33,000 cr, growing at ~15-20% from 2014 largely on the back of the formalisation agenda pursued by the Central government. It has been driving the growth of over 65 industries in India by providing temporary as well as permanent staffing solutions. In the education sector, the industry has provided formal employment to about six million youth. Employable talent is constantly rising in tier 2 and tier 3 cities, with employable population reaching 47% in 2018 as against 33% in 2014. Further, female employability during the year increased from 38% in the previous year to 46% in current year. Male employability score grew from 47% last year to 48% in current year. Moreover, job portals and internal referrals came up as the top 2 most preferred sourcing channels of employers.

The industry, however, is facing challenges owing to certain regulations in the recent times. The barring of private companies from using Adhaar for KYC authentication has significantly raised the compliance costs. This is posing a huge challenge for formal job market applicants, which in turn, affects the employment generation in India. Further, the organization needs to undertake around 60,000 compliances and 3,800 filings a year to stay compliant. This restricts them from carrying on smooth business operations. Although the industry faced a few challenges, it posted robust growth during the year. The year-end general staffing counting was observed at a record breaking 1,57,000 – plus associates with a net addition of about 43,000 people assigned to new and existing clients during the year. (Source: Economic Times)

Factors driving the growth of staffing industry:

- **Skill and talent gap issues in India**

  While the requirement for job-ready workforce is constantly increasing in India, the country is facing challenges in terms of finding quality talent and skill matching the requirement. Besides this, attracting talent and its engagement and retention is also becoming a task for the companies. This provides huge opportunities in the staffing industry, which helps to address skill and talent issue for the economy as a whole.

- **Rise of Gig economy in India**

  Although the gig economy is in its initial phase, it has the potential to grow in the coming years – much like its growth in other developed economies. As per a recent survey, over one-third of organizations are likely to rely up to 50% on flexible talent in next 5 years. This will sustain the talent strategy of organizations, and therefore, is an important area of focus for the staffing companies in India.

- **Rise of digital staffing platforms**

  With rising need for contingent staffing, various digital staffing platforms have emerged overseas. They match the talent requirements of enterprises and job expectations of individuals in a cost-effective manner. Besides representing competition, they also force the traditional players to go digital and diversify their offerings and building along with acquiring digital platform capabilities. This leads to M&As, and consolidation – as the staffing players looks forward to acquire digital platforms to build scale, reach and access.

- **Technology as an enabler and differentiator**

  There is a rising need for staffing companies to increase their investments in automation for improving efficiencies, and technology for improving hiring and recruitment process. Of various technologies present in the market, AI has the ability to focus on candidate skill level over unconscious biases, reduce the time for sourcing as well as help in organizing and analyzing big data. This is considered to be an important source of revenue for staffing companies. Further, emerging technology adoption is also leading to rise in number of digital transaction which boosts requirement for more data entry and data management operators. This increases the demand for flexi staffing in the industry.

- **Candidate experience and employee engagement**

  Nowadays, social and digital technologies coupled with innovative forms of engagement and assessment provide companies with newer opportunities to engage effectively with their candidates. Once hired, companies place their focus on talent from an employee engagement perspective. Further, referrals have also emerged as one of the cost effective channels for contingent hiring and it is poised to become critical for staffing companies in the coming period.

- **Growth in manufacturing segment**

  Various initiatives undertaken by government to boost manufacturing sector in India is enabling growth of semi-skilled workforce in the country. Further, irregular order flow based on market needs is also facilitating adoption of skilled and semi-skilled workforce in the country.

- **Growth in Retail segment**

  The Indian retail market is growing at a robust pace facilitating a number of participants to establish their base in the Tier 2 and Tier 3 cities. This expansion is further expected to play a vital role in increasing flexi workforce in the coming years.

- **Growth of E commerce**

  In terms of flexi adoption, E commerce is one of the highest growing segments creating high demand for workers in customer service centers, and delivery stations, particularly during festivals and sale period. One of the key factors driving the growth of the industry is the seasonality of e commerce business. Andhra Pradesh, Gujarat and Madhya Pradesh are some emerging states experiencing the growth in e-commerce businesses.

Flexi Staffing Industry

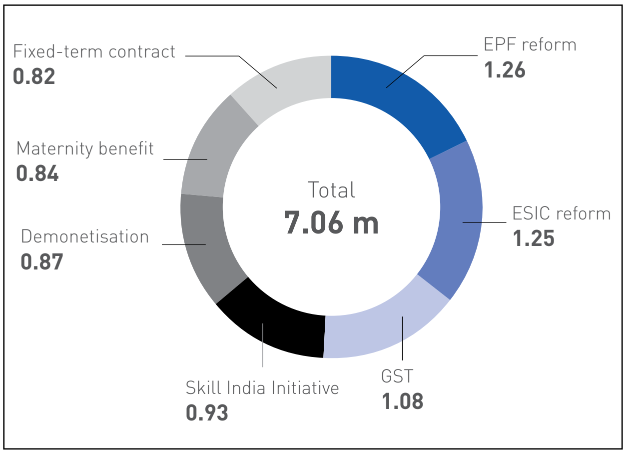
The concept of 'Flexi staffing' is growing at a robust pace in India as 42% of organizations are employing temporary or contract staff instead of permanent employees. In the flexi staffing model, employees are recruited on a temporary or contract basis from staffing companies who facilitate hiring, on-boarding, documentation, pay rolling, employee benefits and exit management. It bridges the gap between organized and unorganized sectors and connects the resource gaps efficiently. The skills in demand for flexi workers are niche technologies, administration, HR, sales and marketing, logistics, legal, finance and accounts. Indian flexi staffing industry is currently a $5 billion market, with the potential of growing to $9 billion in next 5 years. With this market size, India has become world's fifth largest employer with workforce under flexi staff growing at a CAGR of 16.3% to 3.3 million in 2018 as against 2.1 million in 2015.

The flexi staff workforce have benefited from the formalisation, urbanization, and financialisation agenda pursued by the government, by providing them access to a life of dignity and protection. The reforms and initiatives which improved job formalisation in the country includes GST Reform, EPF Reform, ESIC Reform, Maternity Benefit Reform, Fixed Term Contract Reform, Demonetization Reform, and Skill India Initiative among others. Further, the states demonstrating high growth potential for flexi staffing includes Haryana, Gujarat, Karnataka, Madhya Pradesh, Andhra Pradesh and Telangana. Of this, Andhra Pradesh topped the list of states with favourable business environment.

Due to volatility of the economy, the global developments affect the long term plans of the company, as a result of which, they prefer flexi staffing for just in time solutions. Start-ups, with limited means and requirement to keep a watch on expenditures, have been the biggest users of flexi staffing. With automation and innovation changing the nature of the work, Banks, Financial Services and Insurance contributes 12%, Infrastructure, Construction and Energy contribute 11%, retail and e-commerce together comprise 5% in the national Flexi staff. Moreover, the retail market growth have not only been witnessed in the metropolitan cities but also across several tier 2 and tier 3 cities, providing superior business and job opportunities for the local youth.

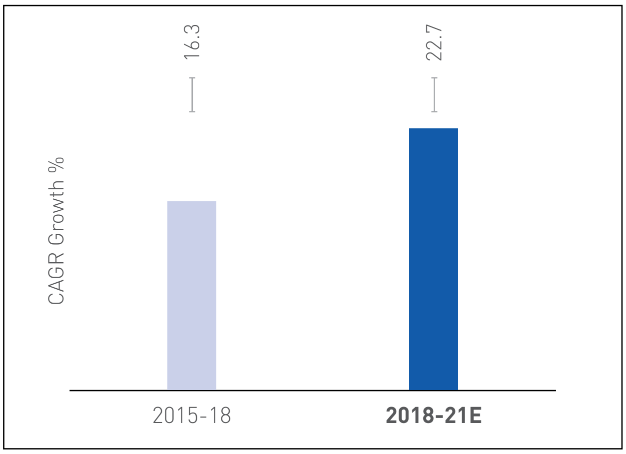
In the coming period, the reforms and policies undertaken during the year are expected to formalize around 11.03 million jobs during 2018 to 2021. Further, logistics, BFSI (banking, financial services and insurance), IT/ITeS, retail and the government would be the top-five sectors employing over 55% of total flexi-workforce by 2021. With these developments and improvements, the sector is anticipated to witness an acceleration in 3 year CAGR from 16.3% in 2018 to 22.7% to 2021, employing 6.1 million people. (Source: Indian Flexi Staffing Industry 2019 by ISF)

Job formalisation in 2015-2018



(Source: Indian Flexi Staffing Industry 2019 by ISF)

CAGR growth of Flexi Staffing Industry



E: Expected

(Source: Indian Flexi Staffing Industry 2019 by ISF)

IT Flexi Staffing Industry

With rapid evolution of Information Technology sector, IT staffing industry market size reached a total revenue of ~$145.1 Billion during 2018 and is further expected to increase in the coming years. Various organizations across sectors are increasingly opting for flexi staff owing to their flexibility and deep expertise in niche technologies. Around 58% of organizations has been hiring IT Flexi Staff for their niche skillsets. The IT flexi staff market is grew in IT/ITeS sector by ~15.8%, BFSI by ~12.7%, manufacturing by ~12.6%, chemical oil and gas by ~11.5%, retail by ~10.8%, healthcare by ~14.1%, and start-up and e-commerce by ~17.3% by the end of FY 2019. (Source: Financial Express)

New technologies such as Artificial Intelligence (AI), Internet-Of-Things (IoT) and BlockChain has transfigured the business in the last few years and a transformation has been observed in the companies' operations from traditional to modern technologies. These technologies had a major impact on the staffing industry on account of automation. AI and IoT has enhances the recruitment process leading to considerable reduction in cost, time and human errors. Further, during the year, staffing companies shifted their focus entirely on branding and employee engagement in order to keep employees returning to share their experience inline as well as verbally. Moreover, with evolution in social media market, over 79% of job seekers utilized social media channels to find their job. (Source: Axiom Global)

Online Recruitment Industry in India

In the era of low unemployment rate, couple with ever-changing needs of job market, attracting top talents have become a huge challenge for recruiters and HR managers. Any delay in hiring process, may result in company losing on their talented candidates. A major factor boosting this is the online world which has captured a large portion of the recruitment process through its evolution in the past decade. The online job portals provide a suitable systematic way to close in on job targets, on either side of the table – the employer and the prospective employee. This has provided a significant boost to the job portal industry in India. The growth was further reflected in a robust performance demonstrated by production and manufacturing sectors, Home appliance sector, BFSI sector as well as retail sector registering a notable growth in the e recruitment activity. Moreover, online hiring demand in 2018 was mostly driven by tier II cities. Chandigarh topped the growth chart registering a 21% increase while e-recruitment in Jaipur, Coimbatore and Ahmedabad grew at 17%, 12% and 10% respectively. (Source: Times of India)

Skilling Industry

India's demographic dividend have placed it in a gainful position with respect to economic growth, with nearly 12.8 million people entering the workforce annually. Besides being an advantage, it also has the potential to turn into a liability if skill development doesn't grow proportionally. With country progressing into a knowledge-based and digital economy, this liability can render a major section of the population unemployable. In order to stand the competition in the world markets, India is required to invest a notable amount in providing secondary and tertiary education as well as vocational education and training (VET). In this regards, a major step taken by the government towards Skilling includes Skill India Initiative. It has helped the unskilled workforce of informal sector to become employable as a skilled workforce in formal sector through a number of programs such as PMKVY and Prior Learning. In addition, it has also aided staffing companies in providing quality resources to the enterprises without making further investments to make them industry-ready. (Source: BusinessLine, Indian Flexi Staffing Industry 2019 by ISF)

RegTech Industry

RegTech is a technology that allows firms to easily adapt to the burden of rising number of regulatory requirements, while being cost-effective and secure. This technology facilitates companies in automation of the process of monitoring data and simplifies the reporting process to regulatory bodies. With the help of this technology, all the reporting can be done on real-time basis with the use of data analytics. The uniqueness of these solutions is that they leverage the existing systems and data for reporting without creating the burden of replacing or enhancing legacy systems, which can be an extremely cumbersome process. Further, it helps in tracking regulatory events to determine its relevance to the business which helps in making decision in regards to carrying out changes in present policies and procedures. In addition, it also helps in meeting HR as well as Secretarial compliance requirements. Moreover, the technology also facilitates preparation of Returns, Registers, Challans and Reports along with disclosures for MCA, RBI, HR & SEBI and filing of several digital as well as other documents.

The technology provides solutions to the following challenges faced in regards to the compliance procedures.

- Poor understanding and knowledge of applicable compliances and a huge amount of Reactive, Manual & Paper Based Compliance Operations slows down the business operations, affecting the productivity and profitability of the business.
- Possessing insufficient and inaccurate information on the compliance procedures can lead to delay in legal procedures. This results in increased liability of penalty and litigation.
- The regulatory environment that laid down many liaison initiatives have become even more complex, with stronger engagement from banking and securities regulators. This has resulted in increased need for more visible and strategic management of their complex regulatory relationships. In such an environment, the present day manual regulatory procedures may not prove to be efficient and proactive as required.
- The increasing levels of regulation and the growing challenging regulatory expectations are having operational impacts throughout companies, requiring people, process and technology-based solutions.

Industrywide write-offs and costly litigations for failed operations processes faced by financial institutions have reduced significantly post implementation of RegTech solutions. Besides this, areas such as KYC, Customer Credit Scoring, Transaction Monitoring, AML screening, fraud prevention, trade data tracking, compliance risk analysis etc. involving repetitive and mundane compliance prone to human error have been benefitted by automation. Additionally, it has also facilitated in cutting down compliance costs by approximately 30-60% on account of streamlined and simplified operations as well as reduced headcount spend. (Source: Express Computer)

Outlook

The global staffing revenue is anticipated to grow by 6% in CY 2019 with Japan, China, India, and Continental European markets projecting a double-digits growth. The industry grew almost twice faster than the economy and the same trend is expected to continue in the coming years. In India the net employment is expected to witness a 3% growth In H1 FY20, with hiring in Tier II and Tier III cities increasing by 5% and 2% respectively. Further, with advancement in technology, outlook appears promising, as it is likely to improve the overall industry scenario. The use of AI will be more prominent in creating chat bots that can automate the initial communication and screening of candidates. Also, social recruiting will grow even further in 2019, making it essential for staffing professionals to capitalize on this trend to the best of their abilities.

Company Overview

A prominent leader in the staffing industry, with a market share of 6 %, TeamLease is a provider of human resources services to various industries and plays diverse functional roles offering staffing, payroll processing, recruitment, compliance and training services. The company marks its presence across the country in over 8 locations and with 2250+ clients and over 1685 core employees. The company offer solutions to diverse range of clients through employment (1.5 lakhs+ employees), employability (2 lakhs+ students) and Ease-of-doing Business (1000+ employers). Using the right technologies and data insights company has enhanced its operational efficiencies and connects to its client more closely. The company delivers staffing services across various sectors, including Consumer Durables, Chemicals, Manufacturing, Media and Telecom, Retail, Banking, Financial Services, Insurance, e-commerce, Pharmaceuticals and Healthcare.

National Employability Through Apprenticeship Program (NETAP), a Public Private Partnership of TeamLease Skills University, CII, and NSDC, has been formed under the National Employability Enhancement Mission of the Ministry of HRD (AICTE) to help unemployed youth build their skills through learning by doing and learning while earning. It provides them with access to practical skills and is structured to overcome the existing challenges of the Apprenticeship Act. A NETAP apprenticeship qualifies for credit towards certificates/diplomas/ degrees offered online by TeamLease Skills University (TLSU). The program proposes to appoint 2 lac apprentices annually, for the next 10 years. On reaching the peak capacity, it is expected to become world's largest apprenticeship program.

SWOT

Opportunities and Strength:

- Leading domestic player in the human resource services industry, with a dominant market position in the temporary staffing segment.
- Strong revenue growth and zero bench strength for its large base of over 2,10,000 associates and trainees.
- Well-established relationships with over 2250 clients.
- Presence at 8 locations across the country.
- Various acquisitions made during the year which helped the company scale up faster.
- Strong compliance system
- Value added services, automated tools, DWS
- Operating leverage through technology investments and process orientation
- Several companies outsource their training and development to consultants. With presence of qualified professionals, company can easily target the opportunity
- With the growth of education sector and literacy rate, job are constantly rising. This proves profitable to the company.

Challenges and Risks

- Changes in the job market such as key companies reducing staff or no longer hiring temporary staff could result in loss of revenue for the company
- Though there are a lot of openings in the job market it may not be easy to find the right resource for the job. This scarcity of the right resources is turning into a huge challenge for company.
- Though candidates are recruited against right jobs they may not enter into commitment with the employer. This affects the brand image of the company.
- The recruitment sector has very limited barriers to entry and thus there are small to large companies who offer competition to the company.

Acquisitions by the company

- **IT Staffing vertical of E Centric Solutions Private Limited**

  ECentric is a Hyderabad—based HR Services company operating a robust IT staffing business over the last 5 years as tier 1 vendor with top IT clients. The IT staffing vertical of company was acquired by TeamLease in 2019, with an aim to further enhance its specialized staffing business with transactions that will improve its customer base, capabilities and financial performance.

- **Avantis**

  Avantis is a leading Regulatory Technology (RegTech) solution provider which enables Ease of Doing Business for more than 1400 legal entities across the country. The Company offers cutting edge multi-tenant, SAAS solution on its web and mobile platforms, enabling a transparent, accountable and efficient risk and compliance management. The solutions provided by the company enhances corporate governance for over 1,000 Enterprise and MSME employers by enabling digitization. Avantis possesses an all-inclusive Legal and Compliance database in India with over 1,200 Acts and 55,000 Compliances updated on a near real time basis covering over 3,500 changes annually.

- **Schoolguru**

  Schoolguru is a technology-led academic services organization having partnership with Indian Universities to provide online and virtual courses for their students. The company was acquired by teamlease in 2017 in order to expand its business into new geographies, strengthen existing technology and content library, and innovate in new forms of delivery.

- **Evolve Technologies & Services Private Limited**

  Evolve is engaged in providing staffing solutions to the IT and telecom industry. The company was acquired by TeamLease in 2017 with a view enter into specialized Telecom staffing business.

- **Freshersworld.com**

  Freshersworld.com is a leading job portal providing service of hiring freshers in India and has a database of over 1.5+ crore resumes, in addition to which nearly 3 Lakh+ resumes are added every month from entry level graduates across the country. The company offers Fresher Recruitment Solutions for 60000+ recruiters and also marks its presence in colleges in over 100 cities across India.

- **Keystone Business Solutions Private Limited**

  Keystone is engaged in providing IT services to enterprise customers in banking, manufacturing, retail and healthcare industries. It was acquired by TeamLease in 2017 in order to strengthen its IT staffing business.

- **Nichepro Technologies Private Limited**

  Nichepro is primarily engaged in the business of providing IT staffing solutions, consultancy, and other services to various IT product companies. TeamLease acquired the Company in 2016 to add IT staffing as a new offering to its portfolio.

- **ASAP Info Systems Private Limited**

  ASAP Info Systems offers specialised services to CMM Level 5 companies in India. The company was acquired by TeamLease in 2016 to get an edge in the IT staffing industry.

Financial Highlights (₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Comments
Revenue	444759.94	362411.54	[]
PAT	9803.00	7345.59	[]
EBITDA	9408.48	6852.49	[]
Return on Net Worth	18.18%	16.63%	Profit for the year/ Total Equity
EPS	57.34	42.96	[]
Debtor Turnover	4.36	3.91	Net Credit Sales/ Average Trade Receivables
Interest coverage Ratio	19.45	30.41	EBIT/Finance Costs
Current ratio	1.15	1.23	Current Assets/Current liabilities
Debt Equity Ratio	1.02	1.01	Total liabilities/Total equity
Operating Profit Margin	2.12%	1.89%	EBITDA/Revenue from Operations
Net Profit Margin	2.20%	2.03%	[]

[Information to come]

Risk Management

Risks and Impact Areas

Risk Management	Organization	Growth	Talent management
Changing economic conditions	√	√	
Technological disruption	√	√	
Financial Risk	√	√	
Information technology and cyber security	√		
Talent attraction and retention	√		√
Data protection laws and regulations	√		
Tax and Labour Law Compliance	√		
Workplace health and safety compliance	√		

- **Changing economic conditions:** Macroeconomic volatility and uncertainty may affect employment regulations, talent mobility, and consumers' views on temporary employment, as well as recruitment outsourcing. These could increase the business cost and possibly reduce demand.

  Mitigation: The ongoing digital transformation creates opportunities for innovative human resource solutions enabling the company to strengthen its leading role in the HR services industry. Local businesses have the autonomy to respond to changing market conditions in order to achieve greater customer satisfaction and revenue growth.

- **Technological disruption:** Technological disruption is threatening to displace the traditional recruitment and staffing business model. New delivery platforms and even non-traditional competitors are quickly establishing their presence in the market.

  Mitigation: By embracing technology, we have set the new industry standard on service delivery. Technology can strengthen the human connection in delivering perfect matches and this will make us stand out from the competition.

- **Financial Risk:** Delay in receiving payment from the client or insolvency of clients, impairment risk on investment, reconciliation risk, or payment in any kind of fraudulous instruments can lead to greater usage of operating working capital and increased interest costs.

  Mitigation: The Company has significant policies in place with regard to invoicing and credit control. Further, the collection status is also monitored and allowances are made for anticipated credit losses.

- **Information technology, cyber security and other operational risks:** Technology has infused all the key processes, including outsourced ones. IT security risks, including cyber-attacks, password complexity, user access etc. could result in downtime or leaking of personal data and company-sensitive information. This poses significant financial and reputational risks. Further, deviation from standard procedures, lack of automation, Input and invoice errors etc. can also affect the day-to-day operations of the company.

  Mitigation: Enhanced security capabilities safeguard company's information assets, including candidate data, and ensure continuous service delivery to clients. This increases clients' trust and confidence in the company. Optimizing IT risk assessments further helps to balance the value and cost of IT in supporting the business processes.

- **Talent attraction and retention:** People are the most important asset of the company, and talent is hard to come by in a competitive market. Failure to attract, develop, and retain the right people or even make payments to associate in time could have negative impact on the company's operations.

  Mitigation: Successful talent management improves employees' quality and increases employees' loyalty. This ensures an adequate pipeline of talent, with the aim of delivering results to clients, candidates, and shareholders.

- **Data protection laws and regulations:** Legislation on personal data protection is becoming more stringent, since, without sufficient measures to protect personal data, company as well as client can be at risk. New and complicated laws may expose company to higher risk of non-compliance, resulting in possible claims, fines, business suspension, and reputational damage.

  Mitigation: Improved data protection capability and compliance with the relevant laws and regulations strengthen the confidence of candidates and clients with regard to company's service standard.

- **Tax and Labour Law Compliance:** Complex and changing tax, labour and social security regulations can result in a lack of clarity and errors in wages, increased need for social security and payroll tax compliance, leading to disputes, claims, and fines, as well as increased operational costs. The company is also exposed to risk of arbitration on purchase consideration of its acquisition as well as Service Tax/GST compliance on input tax credit.

  Mitigation: The company's compliance audit team performs a monthly review of all applicable labour laws such as Minimum wages, PF, ESIC etc. The team also reaches out to the clients to resolve non compliances. In addition, a weekly report is published on all the outstanding compliance on Minimum wages, PF, ESIC & EC, CLRA, LWF, PT, PF, Pending Form 11, St Bonus and Gratuity.

- **Workplace health and safety compliance:** The employees of the company may have to work at clients' premises during certain situations, where safety conditions may vary. As company do not have control over these working conditions, its flex workers may be exposed to a hazardous work environment. This may result in increased medical claims, absenteeism, and worker strikes.

  Mitigation: Heightened awareness and sharing of good practices among operating companies help to boost workplace satisfaction and reputation of the company as a trusted HR partner. Further, various training such as formal classroom training, on the job training, industry learning and exposure etc. reduces the chances of employee being exposed to unfavourable working conditions, hence, protecting the interest of the employees.

Road Ahead

The general staffing business of TeamLease continues to be on strong momentum. It is at the cusp of witnessing higher growth on account of changing industry dynamics and higher penetration of flexi-staffing in India. The company's acquisitions have enabled it to foray into new verticals and the company is also looking for new acquisition targets in order to broaden their horizon. Post a soft FY18, the employee growth for the company remained strong in FY19 and the company expects the momentum to continue, given strong pipeline and increased traction in specialized staffing business.

Cautionary statement

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

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of TeamLease Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
A. Revenue recognition and recoverability of trade receivables	
The Company's revenue for the financial year 2018-19 amounts to ₹413,246.85 Lakhs (2017-18: ₹344,074.08 Lakhs). Majority of the Company's revenues come from General staffing and allied services. Company has various streams of revenue with multiple types of customer contracts characterized by a large volume of transactions. During the year, the Company has implemented Ind AS 115 'revenue from contracts with customers'. As disclosed in note 44, the new standard had no material impact on the statement of financial position, statement of profit and loss and statement of cash flows. Trade receivables represent 23.52% of the total assets and 45.78% of the total shareholder's equity as of March 31, 2019. The Company has adopted a provision policy in respect of overdue trade receivables based on the past collection trends and industry data.	We assessed the Company's internal controls over its significant revenue and trade receivables processes. We selected samples for multiple types of customer contracts under various revenue streams to assess the occurrence, completeness and measurement of the transactions. We performed procedures concerning the existence and valuation of trade receivables including debtor circularization, testing of invoices and subsequent collections. To assess the recoverability of trade receivables, we evaluated ageing of receivables, historical collection data, specific individual circumstances of the debtor balances and current economic trends.

Key audit matters	How our audit addressed the key audit matter
Due to the multiple types of revenue contracts with various streams, significance of carrying values of trade receivables and the judgement involved for doubtful debts provision, this matter was considered significant to our audit. Refer to Note 24 and Note 13 to the standalone Ind AS financial statements for the Company's disclosure on revenue and trade receivables respectively.	
B. Investments/ Loans and advances to group companies	
The Company has non-current investments in subsidiaries, associate and joint venture of ₹19,408.87 Lakhs which are carried at cost. In accordance with Ind AS, these investments are tested for impairment using discounted cash-flow models, i.e., the recoverable value of each investment is compared to the carrying value as at the balance sheet date. A deficit between the recoverable value and the carrying value would result in an impairment provision. The key inputs and assumptions used in the aforesaid model are following: - Revenue growth rate - Operating margins - Long-term growth rate - Discount rate Further, the Company has granted interest bearing long-term loans to group companies. Management has assessed the recoverability of such loans after taking into account the future cash flow surpluses expected to be generated by the respective borrower entities. The Company performed impairment test for investments and assessed recoverability of loans to group companies and determined that there was no impairment and no provision was required for investments in / loans to group companies. Due to the significant carrying value of such investments and loans to group companies and judgment involved in performing impairment test and assessment of recoverability of loans, this matter was considered significant to our audit.	We evaluated the forecast of future cash flows used by the management in the valuation models to compute the recoverable value/value in use. We compared the future operating cash flow forecasts with the business plan and budgets approved by the Board. We evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. We involved our valuation specialists to assist in examining the valuation models and analyzing the underlying key assumptions, including long-term growth rates and discount rates. We obtained and read the audited financial statements of the subsidiaries to determine the net worth, cash flows and other financial indicators. We obtained future business plans and cash flow projections/ repayment schedule for loans granted for assessing the recoverability of loans granted.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Corporate Governance Report, Business Responsibility Report and Report on Management Discussion and Analysis included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: May 28, 2019

ANNEXURE 1

referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" to the Independent Auditor's Report of even date on the Standalone Ind AS Financial statements of TeamLease Services Limited.

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

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made, guarantees and securities given, to the extent applicable, have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) Undisputed statutory dues including income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of professional tax, employee state insurance and tax deducted at source and serious delays in remittance of provident fund dues in many cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax and service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	445.35#	April 2006 to December 2008	The Custom, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	463.03	October 2010 to July 2017	The Commissioner of Service Tax, Bengaluru
Income Tax Act, 1961	Income Tax	2.03*	Assessment Year 2016-17	The Commissioner of Income Tax (Appeals)

net of amount paid ₹442.46 lakhs

*net of amount paid ₹0.51 lakhs

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. The Company has no outstanding dues to government or debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: May 28, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the Standalone Ind AS Financial Statements of TeamLease Services Limited

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

We have audited the internal financial controls over financial reporting of TeamLease Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: May 28, 2019

STANDALONE BALANCE SHEET

as at 31 March 2019

₹ in Lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	650.65	229.30
Other intangible assets	5	54.33	213.50
Intangible assets under development		304.74	21.89
Financial assets			
Investments	6	19,408.87	16,923.19
Loans	8	9,119.79	7,753.01
Other financial assets	9	6,290.20	4,171.65
Deferred tax assets (net)	10	6,428.58	4,099.77
Income tax assets (net)	11	12,161.46	7,308.12
Other non-current assets	12	22.56	58.78
Total non-current assets		**54,441.18**	**40,779.21**
Current assets			
Financial assets			
Investments	7	1,600.77	3,231.52
Trade receivables	13	24,214.15	19,666.87
Cash and cash equivalents	14	5,910.83	7,109.54
Bank balances other than cash and cash equivalents	14	5,154.67	5,816.42
Loans	8	63.47	120.37
Other financial assets	9	10,048.16	4,793.86
Other current assets	15	1,511.14	1,261.11
Total current assets		**48,503.19**	**41,999.69**
Total assets		**102,944.37**	**82,778.90**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,709.68	1,709.68
Other equity	17	51,183.32	41,556.43
Total equity		**52,893.00**	**43,266.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	22	521.11	-
Net employee defined benefit liabilities	18	5,532.60	4,268.45
Other non-current liabilities	19	421.90	489.07
Total non-current liabilities		**6,475.61**	**4,757.52**
Current liabilities			
Financial liabilities			
Borrowings	20	0.95	-
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		59.94	-
Total outstanding dues other than micro enterprises and small enterprises		2,223.18	1,378.64
Other financial liabilities	22	18,845.90	13,387.47
Net employee defined benefit liabilities	18	3,858.19	2,228.40
Other current liabilities	23	18,587.60	17,760.76
Total current liabilities		**43,575.76**	**34,755.27**
Total liabilities		**50,051.37**	**39,512.79**
Total equity and liabilities		**102,944.37**	**82,778.90**
Summary of significant accounting policies	3		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

₹ in Lakhs

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	24	413,246.85	344,074.08
Other income	25	2,946.11	2,438.05
Total income		**416,192.96**	**346,512.13**
Expenses			
Employee benefits expense	26	393,735.62	331,942.57
Finance costs	27	206.67	110.22
Depreciation and amortization expense	28	303.93	372.34
Other expenses	29	12,210.22	7,024.14
Total expenses		**406,456.44**	**339,449.27**
Profit before tax		9,736.52	7,062.86
Tax expense:	11		
- Current tax		2,185.52	1,553.46
- Tax credit for earlier years		128.10	-
Deferred tax			
- Minimum Alternate Tax (MAT) credit		(2,185.52)	(1,553.46)
- Deferred tax credit		(93.53)	(192.84)
Income tax expense / (credit)		**34.57**	**(192.84)**
Profit for the year		**9,701.95**	**7,255.70**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	31		
Remeasurement gains on defined benefits obligation		9.91	28.90
Income tax effect		(3.46)	(10.00)
Other comprehensive income for the year, net of tax		**6.45**	**18.90**
Total comprehensive income for the year, net of tax		**9,708.40**	**7,274.60**
Earnings per equity share:			
Basic and diluted (amount in ₹)	30	56.75	42.44
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

₹ in Lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
Operating activities			
Profit before tax		9,736.52	7,062.86
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		303.93	372.34
Dividend income on mutual fund investments		(256.06)	(99.47)
Finance costs		206.67	110.22
Interest income		(2,326.91)	(1,914.03)
(Gain)/loss on disposal of property, plant and equipment (net)		(3.48)	(0.01)
Intangible assets under development written off		21.89	-
Fair value adjustments (net)		(3.88)	(0.95)
Liabilities no longer required written back		(330.65)	(334.44)
Bad debts written off		284.47	60.36
Provision for expected credit loss		275.97	452.22
Share-based payment expenses		19.08	154.24
Sundry balances written off		-	2.82
Working capital adjustments			
(Increase)/decrease in trade receivables		(5,261.55)	(3,658.14)
(Increase)/decrease in loans		(278.00)	79.87
(Increase)/decrease in other assets		(213.81)	(249.27)
(Increase)/decrease in other financial assets		(6,449.72)	(19.96)
Increase/(decrease) in trade payables and other financial liabilities		5,975.23	(1,206.64)
Increase/(decrease) in other liabilities		1,087.43	9,518.24
Increase/(decrease) in net employee defined benefit liabilities		2,903.85	1,468.70
		5,690.98	**11,798.96**
Income tax paid (net)		(7,166.96)	(4,648.46)
Net cash flows (used in) / from operating activities		**(1,475.98)**	**7,150.50**
Investing activities			
Purchase of property, plant and equipment		(611.79)	(91.86)
Purchase of intangible assets (including intangibles under development)		(321.72)	(58.74)
Proceeds from disposal of property, plant and equipment		3.82	0.01
(Sale)/purchase of current investments		1,630.75	(2,200.35)
Debenture application money pending allotment		(1,060.00)	-
Dividend income on mutual fund investments		256.06	99.47
Loans and advances given to subsidiaries		(14,828.33)	(13,017.48)
Loans and advances repaid by subsidiaries		13,802.33	10,622.45
Purchase of non-current investments		(1,543.66)	(7,016.04)
Matured fixed deposits (net)		778.35	7,384.86
Interest received		2,345.21	2,083.62
Net cash flows from / (used in) investing activities		**451.02**	**(2,194.06)**
Financing activities			
Proceeds from issue on exercise of stock options		2.88	3.70
Finance costs		(177.58)	(110.22)
Net cash flows (used in) / from financing activities		**(174.70)**	**(106.52)**
Net increase / (decrease) in cash and cash equivalents		**(1,199.66)**	**4,849.92**
Cash and cash equivalents at the beginning of the year	14	7,109.54	2,259.62
Cash and cash equivalents at the end of the year		**5,909.88**	**7,109.54**
Summary of significant accounting policies	3		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount (in ₹ Lakhs)
Equity shares of ₹10 each:		
At 1 April 2017	**17,096,769**	**1,709.68**
Additions during the year	-	-
At 31 March 2018	**17,096,769**	**1,709.68**
Additions during the year	-	-
At 31 March 2019	**17,096,769**	**1,709.68**

Also refer note 16

b. Other equity

₹ in Lakhs

Particulars	Attributable to equity shareholders of the Company Reserves and surplus			Total other equity
	Securities premium	Stock option outstanding reserve	Retained earnings	Total
As at 1 April 2017	**23,972.72**	**358.03**	**9,796.84**	**34,127.59**
Profit for the year	-	-	7,255.70	7,255.70
Other comprehensive income	-	-	18.90	18.90
Total comprehensive income	**23,972.72**	**358.03**	**17,071.44**	**41,402.19**
Stock option compensation expense	-	154.24	-	154.24
As at 31 March 2018	**23,972.72**	**512.27**	**17,071.44**	**41,556.43**
As at 1 April 2018	**23,972.72**	**512.27**	**17,071.44**	**41,556.43**
Ind AS 115 transition adjustment (refer note 44)	-	-	(100.59)	(100.59)
Profit for the year	-	-	9,701.95	9,701.95
Other comprehensive income	-	-	6.45	6.45
Total comprehensive income	**23,972.72**	**512.27**	**26,679.25**	**51,164.24**
Stock option compensation expense	-	19.08	-	19.08
As at 31 March 2019	**23,972.72**	**531.35**	**26,679.25**	**51,183.32**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
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For and on behalf of the Board of Directors
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Alaka Chanda
Company Secretary
M No : A29098

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Date: 28 May 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Corporate information

TeamLease Services Limited (the "Company") is a HR Services Company incorporated on 2 February 2000. During the year ended 31 March 2019, the Company shifted its registered office from Office No. 6, 3rd Floor, C wing Laxmi Towers, Bandra Kurla Complex, Mumbai, Maharashtra - 400051 to 6th Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560095. The Company provides to its clients, solution for their staffing and HR requirements offering a gamut of services that include Temporary Staffing, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments.

The Company was converted into a Public Limited company and obtained a fresh certificate of incorporation dated 15 May 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 12 February 2016.

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 28 May 2019.

2 Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instrument) and share-based payments, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

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

3 Summary of significant accounting policies

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

3.2 Foreign currency translation

(i) Functional and presentation currency

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

ii) Transactions and balances

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

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

2) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are translated using the exchange rates at the date of the initial transactions. Non-monetary items,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

ffor the year ended 31 March 2019

which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when fair value was determined.

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

3.3 Revenue recognition

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

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), while invoicing in excess of revenues are classified as Contract Liability (unearned revenue).

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

Manpower services

Revenue from manpower services is accounted on accrual basis on performance of the services agreed in the contract with the customers.

Recruitment and other services

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services and payroll is recognized on accrual basis on performance of the services agreed in the contract with the customers.

Interest income

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

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.4 Taxes

Income tax

Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

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

3.5 Leases

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

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

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

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

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

3.6 Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. All repair and maintenance costs are recognised in profit or loss as incurred.

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

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

Depreciation methods, estimated useful lives

Depreciation is calculated using the straight-line method over the estimated useful lives of the plant and equipment as given under Part C of Schedule II of the Act as follows:

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

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is lower.

3.7 Intangible assets

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

ffor the year ended 31 March 2019

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

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

Research and development costs

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

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

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

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

Amortization methods, estimated useful lives

Amortization is calculated using the straight-line method over the estimated useful lives of the Intangibles as follows:

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

3.8 Impairment of non-financial assets

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

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

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

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Investment in equity instruments issued by subsidiaries, associates and joint venture are measured at cost less impairment. Investment in preference shares/ debentures of the subsidiaries, associates and joint venture are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method (EIR) is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Subsequent measurement

(i) Financial assets

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income (FVOCI)

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through profit or loss.

Equity instruments

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

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

Derecognition of financial assets

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

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

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

(ii) Financial Liabilities

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

ffor the year ended 31 March 2019

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

Derecognition of financial liabilities

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

(iv) Fair value of financial instruments

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

Fair value hierarchy:

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

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

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

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

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

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

3.11 Treasury shares

The Company has created an Employee Benefit Trust ('EBT') for providing share-based payment to its employees. The promoters/ directors of the Company, in prior years had contributed certain equity shares free of cost to EBT, which are issued to employees in accordance with the Company's Employee stock option plan.

The Company treats EBT as its extension and shares held by EBT are treated as treasury shares carried at nil value. Share options exercised during the reporting period are adjusted against treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve."

3.12 Cash and cash equivalents

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

3.13 Employee benefits

Defined benefit plan

Gratuity obligations

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

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

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

a) The date of the plan amendment or curtailment, and

b) The date that the Company recognises related restructuring costs.

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

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

Contribution to TeamLease Provident Fund

The Company has a defined benefit plan for post employment benefits in the form of provident fund. The Company makes contribution for provident fund to the trust set up by the Company and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Company. The Company's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Defined contribution plan

Contribution to Government Provident Fund

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

Share-based payments

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

Compensated absences

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

3.14 Provisions and contingent liability

Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

ffor the year ended 31 March 2019

asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent liability

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

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

3.15 Cash dividend distribution to equity holders

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

3.16 Earnings Per Share (EPS)

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

3.17 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

Defined benefit plans

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

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

Taxes

Deferred tax assets are recognised on deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-current assets

Determining whether long-term investments and loans are impaired requires an estimation of the value in use of the individual investments in subsidiaries, associate and joint venture or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow ('DCF') model.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Further, the cash flow projections are based on estimates and assumptions relating to operational performance, growth rate, operating margins of the CGU.

Other estimates

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

3.18 Operating segment

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of Company and allocated resources based on the analysis of various performance indicators of the Company. The operating segment comprises of the following:

a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAP.

b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.

3.19 Relevant standard issued but not yet effective

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

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company will adopt the aforesaid standard effective from 1 April 2019. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the aforesaid standard and the impact on its financial statements in the period of initial application.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 4: Property, plant and equipment

₹ in Lakhs

	Office equipment	Computers	Furniture & fixtures	Vehicles	Leasehold Improvements	Total
Gross block						
As at 1 April 2017	124.61	34.02	58.78	16.66	-	234.07
Additions	62.72	65.13	6.92	-	-	134.77
Disposals	(0.05)	-	-	-	-	(0.05)
As at 31 March 2018	**187.28**	**99.15**	**65.70**	**16.66**	**-**	**368.79**
Additions	133.87	97.91	7.55	14.96	295.18	549.47
Disposals	-	(0.60)	-	(5.22)	-	(5.82)
As at 31 March 2019	**321.15**	**196.46**	**73.25**	**26.40**	**295.18**	**912.44**
Accumulated depreciation						
As at 1 April 2017	44.33	13.25	15.77	4.68	-	78.03
Charge during the year	28.77	14.92	13.73	4.09	-	61.51
Disposals	(0.05)	-	-	-	-	(0.05)
As at 31 March 2018	**73.05**	**28.17**	**29.50**	**8.77**	**-**	**139.49**
Charge during the year	50.70	46.52	7.79	3.84	18.93	127.78
Disposals	-	(0.26)	-	(5.22)	-	(5.48)
As at 31 March 2019	**123.75**	**74.43**	**37.29**	**7.39**	**18.93**	**261.79**
Net block						
As at 31 March 2018	**114.23**	**70.98**	**36.20**	**7.89**	**-**	**229.30**
As at 31 March 2019	**197.40**	**122.03**	**35.96**	**19.01**	**276.25**	**650.65**

Note 5: Other intangible assets

	ALCS - software	Software - others	Total
Gross block			
As at 1 April 2017	587.33	221.06	808.39
Additions	-	36.85	36.85
Disposals	-	-	-
As at 31 March 2018	**587.33**	**257.91**	**845.24**
Additions	-	16.98	16.98
Disposals	-	-	-
As at 31 March 2019	**587.33**	**274.89**	**862.22**
Accumulated amortisation			
As at 1 April 2017	235.06	85.85	320.91
Charge during the year	235.06	75.77	310.83
Disposals	-	-	-
As at 31 March 2018	**470.12**	**161.62**	**631.74**
Charge during the year	117.21	58.94	176.15
Disposals	-	-	-
As at 31 March 2019	**587.33**	**220.56**	**807.89**
Net block			
As at 31 March 2018	**117.21**	**96.29**	**213.50**
As at 31 March 2019	**-**	**54.33**	**54.33**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 6: Investments

₹ in Lakhs

	31 March 2019	31 March 2018
(A) Investment in Equity Shares		
Subsidiaries		
IIJT Education Private Limited (IIJT) 8,000,000 (31 March 2018: 8,000,000) equity shares of ₹10 each, fully paid	2,433.53	2,433.53
TeamLease Education Foundation (TLEF) 10,000 (31 March 2018: 10,000) equity shares of ₹10 each, fully paid	1.00	1.00
TeamLease Digital Private Limited (TDPL) 4,735,000 (31 March 2018: 4,735,000) equity shares of ₹50 each, fully paid	2,363.50	2,363.50
Cassius Technologies Private Limited 11,111 (31 March 2018: 3,333) equity shares of ₹10 each, fully paid (Refer note 2 below)	1,934.65	614.64
Associate		
School Guru Eduserve Private Limited 184,068 (31 March 2018: 184,068) equity shares of ₹10 each, fully paid (Refer note 3 below)	758.90	758.90
Joint Venture		
Avantis Regtech Private Limited 1 equity share (31 March 2018: Nil) of ₹1 each (Refer note 5 below)	0.01	-
(B) Investment in Preference Shares		
Associate		
School Guru Eduserve Private Limited 0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS) 269,681 (31 March 2018: 269,681) preference shares of ₹10 each (Refer note 3 below)	1,350.00	1,350.00
Joint Venture		
Avantis Regtech Private Limited 0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS) 219,298 (31 March 2018: Nil) preference shares of ₹1 each (Refer note 5 below)	505.66	-
(C) Investment in Debentures of Subsidiary		
TeamLease Digital Private Limited 9% Compulsorily Convertible Debentures (CCD's) of ₹10 lakhs each, fully paid (Refer note 4 below)		
Series A 686 (31 March 2018: 686)	6,860.00	6,860.00
Series B 111 (31 March 2018: 111)	1,110.00	1,110.00
Series C 285 (31 March 2018: 285)	2,850.00	2,850.00
Series D 78 (31 March 2018: 78)	780.00	780.00
Series E 66 (31 March 2018: Nil)	660.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 6: Investments (Contd..)

₹ in Lakhs

	31 March 2019	31 March 2018
Less: Provision for diminution in the value of investments (Refer note 1 below)	(2,198.38)	(2,198.38)
	19,408.87	**16,923.19**
Aggregate value of unquoted investments	21,607.25	19,121.57
Aggregate amount of provision for diminution	(2,198.38)	(2,198.38)

Notes:

1) Provision for diminution in the value of investments is ₹2,198.38 lakhs (31 March 2018 ₹2,198.38 lakh) towards investment in IIJT.

2) The Company entered into a definitive agreement on 29 May 2017 to acquire 30% stake in Cassius Technologies Private Limited ("CTPL"). During the year ended 31 March 2019, the Company acquired additional equity stake of 21% in CTPL as per the definitive agreements at an agreed consideration of ₹378.00 lakhs, thereby increasing the total stake to 51% in CTPL. Further, the Company has an option to acquire balance 49% equity stake at an agreed price payable in two tranches by June 2020 (Also Refer Note 22). Accordingly, CTPL has been accounted for as a 100% subsidiary with effect from 31 July 2018. CTPL is engaged in rendering end to end online services for software product engineering.

3) The Company entered into a definitive agreement on 8 November 2017, with School Guru Eduserve Private Limited ("School Guru") to acquire 16.31% equity stake in School Guru (on fully diluted basis) and further subscribed to CCCPS. School Guru is engaged in rendering technology-led specialized academic services.

4) The CCD's are convertible into equity shares on or before 10 years from the date of allotment, at the fair value as at the conversion date.

5) The Company entered into an investment agreement with Avantis Regtech Private Limited ("ARPL") on 01 November 2018 and invested in 1 equity share of ₹1 each and subscribed to 219,298 0.1% CCCPS of ₹1 each, both at a premium of ₹227 per share for total consideration of ₹500 lakhs. ARPL is engaged in rendering Software as a Service ("SAAS") based governance, risk and compliance automation.

Note 7: Current investments (at fair value through profit and loss)

Investment in mutual funds

₹ in Lakhs

	31 March 2019	31 March 2018
Reliance Quarterly Interval Fund - Growth Plan 6,236,513.54 Units of ₹25.67 each (31 March 2018: Nil)	1,600.77	-
HDFC Cash Management Fund - Savings Nil (31 March 2018: 1,42,795.48 Units of ₹1,063.64 each)	-	1,518.83
BNP Paribas Overnight Fund Daily Dividend Nil (31 March 2018: 100,368.86 Units of ₹1,000.50 each)	-	1,004.19
TATA Liquid Fund Regular Plan - Daily Dividend Nil (31 March 2018: 63,569.72 Units of ₹1,114.52 each)	-	708.50
	1,600.77	**3,231.52**
Aggregate amount of unquoted investment and market value thereof	1,600.77	3,231.52

Note 8: Loans

Non-current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Loans to related parties (Refer note 37)	8,078.67	6,960.67
Security deposits	865.72	615.79
Other deposits	175.40	176.55
	9,119.79	**7,753.01**
Credit impaired		
Other deposits	82.48	82.70
Less: Provision	(82.48)	(82.70)
	-	**-**
	9,119.79	**7,753.01**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note 8: Loans (Contd..)

Current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Loans to related parties (Refer note 37)	10.00	100.00
Security deposits	43.59	10.74
Other deposits	9.88	9.63
	63.47	**120.37**

Note 9: Other financial assets

Non-current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Interest accrued on fixed deposits	17.95	12.35
Debenture application money pending allotment (Refer note below)	1,060.00	-
Reimbursement right for gratuity/compensated absences	5,002.71	3,833.16
Fixed deposits with banks (maturity of more than 12 months) (Refer note 14)	209.54	326.14
	6,290.20	**4,171.65**

Note: On 17 April 2019, the Company subscribed to 106, 9% Series F CCD of ₹10 lakhs each, fully paid in TDPL.

Current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Interest accrued on fixed deposits	114.37	138.29
Unbilled revenue	5,307.80	2,584.59
Advances to related parties (Refer note 37)	54.01	56.00
Reimbursement right for gratuity/compensated absences	3,620.22	2,014.98
Other assets	951.76	-
	10,048.16	**4,793.86**

Note 10: Deferred tax assets (net)

₹ in Lakhs

	31 March 2019	31 March 2018
Deferred tax assets/(liabilities)	1,470.78	1,327.49
MAT credit entitlement	4,957.80	2,772.28
	6,428.58	**4,099.77**

₹ in Lakhs

As at	Provision for expected credit loss	Depreciation on fixed assets	Provision for leave encashment and gratuity	Others	Total
1 April 2017	681.43	240.04	189.79	33.39	1,144.65
Credit/ charge:					
Profit and loss	114.88	33.57	44.72	(0.33)	192.84
Other comprehensive income	-	-	(10.00)	-	(10.00)
31 March 2018	**796.31**	**273.61**	**224.51**	**33.06**	**1,327.49**
Credit/ charge:					
Ind AS 115 transition adjustment (Refer note 44)	-	-	-	53.22	53.22
Profit and loss	91.30	8.11	47.27	(53.15)	93.53
Other comprehensive income	-	-	(3.46)	-	(3.46)
31 March 2019	**887.61**	**281.72**	**268.32**	**33.13**	**1,470.78**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 11: Income tax assets (net)

₹ in Lakhs

	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation)	12,161.46	7,308.12
	12,161.46	**7,308.12**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Current income tax charge	2,185.52	1,553.46
Tax adjustment for earlier years	128.10	-
MAT credit entitlement	(2,185.52)	(1,553.46)
Deferred tax credit (net)	(93.53)	(192.84)
Income tax reported in the statement of profit or loss	**34.57**	**(192.84)**

Income tax recognised in other comprehensive income

₹ in Lakhs

	31 March 2019	31 March 2018
Deferred tax charge	3.46	10.00
Income tax expense charged to OCI	**3.46**	**10.00**

Reconciliation of effective tax rate:

₹ in Lakhs

	31 March 2019	31 March 2018
Profit before tax	9,736.52	7,062.86
Tax using the Company's domestic tax rate @34.944% (31 March 2018: 34.608%)	3,402.33	2,444.31
Tax effect of:		
Tax exempt income	(51.44)	(34.43)
Non-deductible tax expense	67.93	53.38
Provisions related to prior years	128.10	-
80 JJAA deduction	(3,512.54)	(2,678.51)
Others	0.19	22.41
Income tax (credit)/ expense	**34.57**	**(192.84)**

Note 12: Other non-current assets

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Prepaid expenses	22.56	58.78
	22.56	**58.78**
Credit impaired		
Balances with statutory/ government authorities	64.82	64.82
Less: Provision	(64.82)	(64.82)
	-	**-**
	22.56	**58.78**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 13: Trade receivables

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Trade receivables from related parties (Refer note 37)	2,394.64	1,390.00
Trade receivables - others	21,819.51	18,276.87
	24,214.15	**19,666.87**
Significant increase in credit risk / credit impaired		
Trade receivables - others	2,540.08	2,300.94
Less: Allowance for doubtful debts	(2,540.08)	(2,300.94)
	-	**-**
	24,214.15	**19,666.87**

a) No receivable is due from directors or other officers of the Company either severally or jointly with any other person. For trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 37.

b) Trade receivables are non-interest bearing and with credit period upto 60 days.

Note 14: Cash and cash equivalents and bank balances

₹ in Lakhs

	31 March 2019	31 March 2018
Balances with banks:		
- On current accounts	5,881.62	7,109.54
- Deposits with original maturity of less than 3 months	29.21	-
	5,910.83	**7,109.54**
Other bank balances		
Deposits with remaining maturity of less than 12 months*	5,154.67	5,816.42
Deposits with remaining maturity of more than 12 months**	209.54	326.14
	5,364.21	**6,142.56**
Less: Amounts disclosed under other financial assets (Refer note 9)	(209.54)	(326.14)
	5,154.67	**5,816.42**
	11,065.50	**12,925.96**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Balances with banks:		
- On current accounts	5,881.62	7,109.54
- Deposits with original maturity of less than 3 months	29.21	-
	5,910.83	**7,109.54**
Less: Bank overdraft (Refer note 20)	0.95	-
	5,909.88	**7,109.54**

*Fixed deposits of ₹4,772.50 lakhs as at 31 March 2019 (31 March 2018: ₹4,505.73 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Company.

**Fixed deposits of ₹209.54 lakhs as at 31 March 2019 (31 March 2018: ₹326.14 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Company.

Note 15: Other current assets

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Prepaid expenses	796.21	645.66
Advances to suppliers	334.44	180.36
Loans and advances to employees	62.91	38.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 15: Other current assets (Contd..)

₹ in Lakhs

	31 March 2019	31 March 2018
Advances, other than capital advances	317.58	374.51
Other assets	-	22.57
	1,511.14	**1,261.11**
Credit impaired		
Other advances	-	11.63
Less: Provision	-	(11.63)
	-	**-**
	1,511.14	**1,261.11**

Note 16: Equity share capital

Equity share capital

₹ in Lakhs

	31 March 2019	31 March 2018
(i) Authorised equity share capital	2,330.00	2,330.00
23,300,000 (31 March 2018: 23,300,000) equity shares of ₹10 each.		
(ii) Authorised 12% Cumulative Convertible Redeemable Preference Shares (CCPS)	170.00	170.00
170,000 (31 March 2018: 170,000) CCPS of ₹100 each		
(iii) Issued, subscribed and fully paid-up shares	1,709.68	1,709.68
17,096,769 (31 March 2018: 17,096,769) equity shares of ₹10 each.		
Total issued, subscribed and fully paid-up shares	**1,709.68**	**1,709.68**

(iv) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

₹ in Lakhs

Name of the shareholders	31 March 2019		31 March 2018	
	Numbers	% holding	Numbers	% holding
Equity shares of ₹10 each fully paid				
HR Offshoring Ventures Pte Limited	4,400,812	25.74	4,571,779	26.74
NED Consultants LLP	1,538,933	9.00	1,624,416	9.50
Dhana Management Consultancy LLP	894,413	5.23	904,413	5.29
GPE (India) Limited	-	-	1,114,324	6.52

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

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

(a) On 25 June 2015, the shareholders of the Company approved the issue and allotment of 29 Bonus equity shares of ₹1 each for every equity share of ₹1 each held by the members as on that date. Post such bonus issue, every 10 equity shares of ₹1 each of the Company are consolidated into 1 equity share of ₹10 each thereby, 153,320,640 shares of ₹1 each had been consolidated into 15,332,064 shares of ₹10 each w.e.f. 10 July 2015.

(b) There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended 31 March 2019.

(c) There are no shares bought back by the Company during the period of five years immediately preceding the year ended 31 March 2019.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 17: Other equity

₹ in Lakhs

	31 March 2019	31 March 2018
Securities premium	23,972.72	23,972.72
Retained earnings	26,679.25	17,071.44
Stock option outstanding reserve	531.35	512.27
	51,183.32	**41,556.43**

Nature and purpose of other reserves

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of Companies Act, 2013.

(ii) Stock option outstanding reserve

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

Note 18: Net employee defined benefit liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
Non-current		
Employee benefits - Gratuity (Refer note 31)	4,629.51	4,069.02
Employee benefits - Compensated absences	903.09	199.43
	5,532.60	**4,268.45**
Current		
Employee benefits - Gratuity (Refer note 31)	2,519.48	2,121.29
Employee benefits - Compensated absences	1,338.71	107.11
	3,858.19	**2,228.40**

Note 19: Other non-current liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
Disputed tax liabilities (Refer note 40)	421.90	421.90
Other liabilities	-	67.17
	421.90	**489.07**

Note 20: Borrowings

₹ in Lakhs

	31 March 2019	31 March 2018
Current		
Bank overdraft (secured)	0.95	-
	0.95	**-**

*The overdraft facilities from bank are secured by lien on fixed deposits and carries interest at the rate 9.25% per annum.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 21: Trade payables

Current

₹ in Lakhs

	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	59.94	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,223.18	1,378.64
	2,283.12	**1,378.64**

Refer note 37 for details of trade payables to related parties.

Note 22: Other financial liabilities

Non-Current

₹ in Lakhs

	31 March 2019	31 March 2018
Other liabilities (for CTPL)	521.11	-
	521.11	**-**

Current

₹ in Lakhs

	31 March 2019	31 March 2018
Employees benefits payable	17,818.44	12,337.37
Other liabilities (for CTPL)	450.00	-
Creditors for capital goods	0.02	62.34
Book overdraft	577.44	987.76
	18,845.90	**13,387.47**

Note 23: Other current liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
Statutory dues payable	11,366.52	9,826.94
Advance from customers	2,641.61	5,182.76
Unearned revenue	250.99	-
Other liabilities	4,328.48	2,751.06
	18,587.60	**17,760.76**

Note 24: Revenue from operations

₹ in Lakhs

	31 March 2019	31 March 2018
Sale of services	398,097.58	335,220.75
Recruitment services		
- Permanent recruitment	2,116.17	1,644.03
- Temporary recruitment	304.82	215.85
Skills and development etc.	8,399.61	3,615.53
Income from regulatory services	1,577.27	1,324.00
Payroll income	2,751.40	2,053.92
	413,246.85	**344,074.08**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 24: Revenue from operations (Contd..)

Other disclosures

Disaggregated revenue information

The disaggregation of Company's revenue from contracts with customers, which is in agreement with the amounts disclosed in the segment information and the contracted price are provided in note 36.

₹ in Lakhs

Contract balances	31 March 2019	31 March 2018
Contract assets - Trade receivables	24,214.15	19,666.87
Contract assets - Unbilled revenue	5,307.80	2,584.59
Contract liabilities - Advance from customers	2,641.61	5,182.76
Contract liabilities - Unearned revenue	250.99	-

Trade receivables are non-interest bearing and are generally on credit terms of upto 60 days (31 March 2018: 60 days). The increase in trade receivables is primarily on account of increase in manpower services. During the year, net provision for expected credit losses on trade receivables was recognised amounting to ₹239.14 lakhs (31 March 2018: ₹331.95 lakhs).

Set out below is the amount of revenue recognised from:

₹ in Lakhs

Contract balances	31 March 2019	31 March 2018
Amounts included in contract liabilities at the beginning of the year	4,696.63	1,230.20
Performance obligations satisfied in previous years	-	-

Note 25: Other income

₹ in Lakhs

	31 March 2019	31 March 2018
Interest income on:		
Loans to related parties (Refer note 37)	687.22	438.66
Deposits with banks	337.07	653.36
Investment in CCD's	1,061.09	822.01
Income tax refunds	241.53	-
Others	23.20	20.70
Liabilities no longer required written back	330.65	334.44
Dividend income on mutual fund investments	256.06	99.47
Profit on disposal of property, plant and equipment (net)	3.48	0.01
Miscellaneous income	5.81	69.40
	2,946.11	**2,438.05**

Note 26: Employee benefits expense

₹ in Lakhs

	31 March 2019	31 March 2018
Salaries, wages and bonus	363,591.96	305,692.73
Stock option compensation expense	19.08	154.24
Gratuity expense	131.25	122.97
Compensated absences	235.68	143.98
Contribution to provident fund and other funds	27,295.08	24,020.92
Staff welfare expenses	2,462.57	1,807.73
	393,735.62	**331,942.57**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 27: Finance costs

₹ in Lakhs

	31 March 2019	31 March 2018
Interest on bank overdraft	109.35	95.02
Interest on financial liability	29.09	-
Interest - others	68.23	15.20
	206.67	**110.22**

Note 28: Depreciation and amortisation expense

₹ in Lakhs

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment	127.78	61.51
Amortization of other intangible assets	176.15	310.83
	303.93	**372.34**

Note 29: Other expenses

₹ in Lakhs

	31 March 2019		31 March 2018	
Training expenses (skill development)		5,780.30		1,947.17
Rent		1,458.74		1,145.60
Rates and taxes		70.47		46.91
Electricity		194.14		155.06
Traveling and conveyance		724.33		600.36
Repairs and maintenance				
- Leasehold premises		7.50		14.14
- Others		1,038.90		722.72
Printing and stationery		380.73		346.64
Legal and professional charges		917.18		688.72
Auditors' remuneration (Refer note below)		72.27		61.94
Insurance		16.55		20.44
Intangibles under development written off		21.89		-
Sundry balances written off		-		2.82
Bad debts written off	321.30		180.63	
Less: Provision for expected credit loss utilised	(36.83)	284.47	(120.27)	60.36
Provision for expected credit loss		275.97		452.22
Foreign exchange loss (net)		3.23		1.16
Miscellaneous expenses		963.55		757.88
		12,210.22		**7,024.14**

₹ in Lakhs

Note: Payment to auditors	31 March 2019	31 March 2018
As auditor		
Statutory audit fee	35.00	30.50
Tax audit fee	5.00	3.00
Limited review	30.00	24.00
Reimbursement of expenses	2.27	4.44
	72.27	**61.94**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 30: Earnings per share

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

₹ in Lakhs

	31 March 2019	31 March 2018
Profit attributable to equity shareholders (₹ in lakhs)	9,701.95	7,255.70
Nominal value of each equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	17,096,769	17,096,769
EPS - basic and diluted (₹)	56.75	42.44
Diluted earnings per share		

Note 31: Employee benefit obligation

Provident fund

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

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Accumulated surplus as per TeamLease Services Limited Employees Provident Fund Trust *	4,680.50	4,908.43
Provident fund obligations *	(244.86)	(180.06)
Principal assumptions are as follows:		
Discount rate (per annum)	7.07%	7.50%
Average historic yield on the investment portfolio	8.65%	8.82%
Appropriate term (in years)	5	5
Remaining term to maturity of provident fund portfolio (in years)	5.85	5.81
Mortality	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

* No Liability has been provided as the balances in the Reserves and Surplus as aforesaid is more than the Provident Fund Obligation.

Disclosures included are limited to the extent of disclosures provided by the actuary.

The expense recognised during the year towards provident fund is ₹17,636.66 lakhs (31 March 2018 ₹16,080.43 lakhs), including for employees covered under defined contribution plan.

Gratuity (Associate)

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

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

Net defined benefit liability/ (assets)

₹ in Lakhs

	31 March 2019	31 March 2018
Present value of unfunded obligation	6,758.22	5,848.14
Fair value of plan assets	-	-
Net liability	**6,758.22**	**5,848.14**
Current	2,406.44	2,014.98
Non-current	4,351.78	3,833.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 31: Employee benefit obligation (Contd..)

Net benefit cost (Refer note below)

₹ in Lakhs

	31 March 2019	31 March 2018
Current service cost	3,898.03	3,407.39
Past service cost	-	4.47
Net actuarial (gain)/ loss recognised in the year	(1,903.67)	(1,235.41)
Interest cost on defined benefit obligation	349.44	259.79
Net benefit expense	**2,343.80**	**2,436.24**

Note: The above employee benefits expense towards gratuity and related reimbursement right for associate employees is netted off in the Statement of Profit and Loss.

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

₹ in Lakhs

	31 March 2019	31 March 2018
Defined benefit obligation at beginning of the year	5,848.14	4,508.64
Current service cost	3,898.03	3,407.39
Past service cost	-	4.47
Interest cost on defined benefit obligation	349.44	259.79
Benefits paid	(1,433.72)	(1,096.74)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(0.31)	(26.53)
Actuarial (gain) / loss arising from changes in financial assumptions	(70.06)	(130.32)
Actuarial (gain) / loss arising from changes in experience adjustments	(1,833.30)	(1,078.56)
Defined benefit obligation at end of the year	**6,758.22**	**5,848.14**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Discount rate	6.66%	6.81%
Salary escalation rate	4.0%	6.0%
Attrition rate	45.0%	45.0%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

Note: The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2019 and 31 March 2018 are as shown below:

₹ in Lakhs

	31 March 2019		31 March 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	6,626.48	6,895.95	5,730.39	5,971.37
Salary escalation rate	6,865.25	6,653.97	5,943.16	5,755.63
Attrition rate	6,703.89	6,813.77	5,793.81	5,903.89

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 31: Employee benefit obligation (Contd..)

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

₹ in Lakhs

	31 March 2019	31 March 2018
Year 1	2,406.44	2,014.98
Year 2	1,679.78	1,407.21
Year 3	1,187.41	1,065.35
Year 4	858.56	774.90
Year 5	601.42	548.53
Next 5 years	743.37	704.61

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2018: 2 years)

Gratuity (Core employees)

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

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

Net defined benefit liability/ (assets)

₹ in Lakhs

	31 March 2019	31 March 2018
Present value of funded obligation	390.77	342.17
Fair value of plan assets	-	-
Net liability	**390.77**	**342.17**
Current	113.04	106.31
Non-current	277.73	235.86

Net benefit cost recognised in statement of profit and loss

₹ in Lakhs

	31 March 2019	31 March 2018
Current service cost	109.17	88.59
Past service cost	-	16.46
Interest cost on defined benefit obligation	22.08	17.92
Net benefit expense	**131.25**	**122.97**

Remeasurement (gains)/loss in other comprehensive income

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Due to change in demographic assumptions	(0.05)	0.45
Due to change in financial assumptions	13.55	1.42
Due to change in experience adjustments	(23.41)	(30.77)
Actuarial loss recognised in OCI	**(9.91)**	**(28.90)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 31: Employee benefit obligation (Contd..)

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

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at beginning of the year	342.17	283.80
Current service cost	109.17	88.59
Past service cost	-	16.46
Interest cost on defined benefit obligation	22.08	17.92
Benefits paid	(72.74)	(35.70)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(0.05)	0.45
Actuarial (gain) / loss arising from changes in financial assumptions	13.55	1.42
Actuarial (gain) / loss arising from changes in experience adjustments	(23.41)	(30.77)
Defined benefit obligation at end of the year	**390.77**	**342.17**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Discount rate	6.96%	7.22%
Salary escalation rate	10.5%	8.0%
Attrition rate	35.0%	35.0%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

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

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2019 and 31 March 2018 are as shown below:

₹ in Lakhs

	31 March 2019		31 March 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	381.07	401.02	334.15	350.63
Salary escalation rate	398.19	383.55	348.51	336.01
Attrition rate	388.17	393.47	340.75	343.62

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

₹ in Lakhs

	31 March 2019	31 March 2018
Year 1	113.04	106.31
Year 2	87.56	77.65
Year 3	67.56	60.32
Year 4	51.38	45.16
Year 5	39.91	33.38
Next 5 years	77.04	62.30

The weighted average duration of defined benefit obligation at the end of the reporting period is 4 years (31 March 2018: 4 years).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 32: Share based payments

Employee Share Option Scheme (ESOP)

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

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

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

₹ in Lakhs

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

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

B. Movement in the options granted to employees

₹ in Lakhs

Particulars	Number of Options		Weighted average Exercise price (₹)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Outstanding at beginning of the year	46,367	93,372	10.00	10.00
Expired	3,533	10,784	10.00	10.00
Exercised	30,110	36,221	10.00	10.00
Outstanding at end of the year	12,724	46,367	10.00	10.00
Exercisable at end of the year	12,320	29,930	10.00	10.00

Fair value of options granted

The fair value of stock options granted is estimated using Black-Scholes valuation model, which incorporates various assumptions including expected life, volatility, risk-free interest rates, and dividend yield. As no stock options were granted for the year ended 31 March 2019 and 31 March 2018, valuation assumptions are not disclosed.

The weighted average remaining contractual life for the share options outstanding as at 31 March 2019 was 0.10 years (31 March 2018: 0.82 years).

The weighted average exercise price of the outstanding option is ₹10 (31 March 2018: ₹10).

The impact of the fair value of the options granted as an expense is ₹19.08 lakhs (31 March 2018: ₹154.24 lakhs) for the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 33: Fair value measurements

Financial assets measured at fair value through profit/ loss:

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Financial Assets		
Investment in mutual funds (Quoted price in active markets Level 1)	1,600.77	3,231.52

There are no transfers between levels during the year.

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

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

Note 34: Financial risk management objectives and policies

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

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

Risk management framework

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

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

(a) Market risk

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

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

(i) Foreign Currency Risk

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

(ii) Interest rate risk

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

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

(b) Credit risk

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

Trade receivables

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

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

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

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Opening balance	2,300.94	1,968.99
Amount provided/ (reversed) during the year (net)	239.14	331.95
Closing provision	2,540.08	2,300.94

Financial instruments

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

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

(c) Liquidity risk

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

Except for financial liability of ₹521.11 lakhs due within 1-2 years, all other financial liabilities are due within 1 year from the balance sheet date. The existing surplus funds along with the cash generated by the Company are sufficient to meet its current/ non-current obligations.

Note 35: Capital management

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 36: Segment information

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segment. The CODM evaluates the Company's performance and allocate resources based on analysis of various performance indicators of the Company. Accordingly, segment information has been presented for the nature of services rendered by the Company.

Segment Policies:

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

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

(i) Reportable segments:

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

(ii) Segment results:

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

The Operative segment comprises of the following:

a) **General Staffing and Allied Services -** Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAPP.

b) **Other HR Services -** Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.

₹ in Lakhs

Particulars	General staffing and allied services		Other HR services		Unallocated		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue:								
External revenue	401,153.80	337,490.51	12,093.05	6,583.57	-	-	413,246.85	344,074.08
Total segment revenue	**401,153.80**	**337,490.51**	**12,093.05**	**6,583.57**	**-**	**-**	**413,246.85**	**344,074.08**
Segment results	7,814.04	5,817.60	618.98	353.40	1,510.17	1,002.08	9,943.19	7,173.08
Finance cost	-	-	-	-	(206.67)	(110.22)	(206.67)	(110.22)
Profit before tax	**7,814.04**	**5,817.60**	**618.98**	**353.40**	**1,303.50**	**891.86**	**9,736.52**	**7,062.86**
Tax expense / (credit)	-	-	-	-	34.57	(192.84)	128.10	-
Profit after tax	**7,814.04**	**5,817.60**	**618.98**	**353.40**	**1,268.93**	**1,084.70**	**9,701.95**	**7,215.70**
Other information								
Capital expenditure	-	-	-	-	933.51	150.60	933.51	150.60
Depreciation and amortization:	267.17	333.35	36.76	38.99	-	-	303.93	372.34
Non cash expenditure other than depreciation:	-	-	-	-	579.52	669.64	579.52	669.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 36: Segment information (Contd..)

₹ in Lakhs

Other Information:	31 March 2019		31 March 2018	
	Assets	Liabilities	Assets	Liabilities
General staffing and allied services	39,110.83	37,376.86	28,787.38	27,244.76
Other HR services	6,569.84	3,159.70	7,541.45	5,113.29
Unallocated	57,263.70	9,514.81	46,450.07	7,154.74
Total	**102,944.37**	**50,051.37**	**82,778.90**	**39,512.79**

Reconciliation to amounts reflected in the financial statements

Reconciliation of assets

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Segment assets	45,680.67	36,328.83
Investments	21,009.64	19,919.56
Loans	9,011.20	7,552.36
Deferred tax assets (net)	6,428.58	4,099.77
Income tax assets (net)	12,161.46	7,308.12
Cash and cash equivalents	907.51	167.47
Bank balances other than cash and cash equivalents	5,154.67	5,816.42
Others	2,590.64	1,586.37
Total assets	**102,944.37**	**82,778.90**

Reconciliation of liabilities

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Segment liabilities	40,536.56	32,358.05
Net employee defined benefit liabilities	130.10	101.01
Other non-current liabilities	-	7.65
Trade payables	1,052.46	617.70
Other financial liabilities	1,387.94	727.98
Other current liabilities	6,944.31	5,700.40
Total liabilities	**50,051.37**	**39,512.79**

Revenue from external customers

₹ in Lakhs

Geographical Segment	31 March 2019	31 March 2018
India	413,246.85	344,074.08
Outside India	-	-
Total	**413,246.85**	**344,074.08**

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

Non-current assets:

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
India	13,193.75	7,831.59
Outside India	-	-
Total	**13,193.75**	**7,831.59**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 37: Related party disclosure

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Subsidiary companies	IIJT Education Private Limited ('IIJT') TeamLease Education Foundation ('TLEF') TeamLease Digital Private Limited ('TDPL') Keystone Business Solutions Private Limited ('KBSPL') Evolve Technologies and Services Private Limited ('ETSPL') Cassius Technologies Private Limited ('CTPL') (associate till 31 July 2018)
b) Associate	School Guru Eduserve Private Limited ('School Guru')
c) Jointly Controlled	Avantis Regtech Private Limited ('ARPL')
d) Key management personnel and their relatives	Mr. Manish Sabharwal - Executive chairman Mr. Ashok Reddy - Managing Director and Chief Executive officer Mr. Ravi Vishwanath - Chief Financial Officer Mr. C. Mruthunjaya Murthy - Company Secretary (resigned w.e.f. 31 May 2018) Mrs. Alaka Chanda - Company Secretary (appointed w.e.f. 31 October 2018) Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath Mr. Gopal Jain (resigned w.e.f. 8 August 2017) Mrs. Latika Pradhan - Independent Director Mr. Narayan Ramachandran - Independent Director Mr. Raghunathan V - Independent Director Mr. Zarir Batliwala - Independent Director (appointed w.e.f. 29 March 2019)
e) Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') India Life Capital Private Limited ('ILCPL') (till 31 May 2018)

(ii) Transactions with related parties

₹ in Lakhs

Transactions with related parties	31 March 2019	31 March 2018
Interest income from		
Subsidiary companies		
TLEF	445.82	304.16
TDPL - on loan	240.98	134.50
TDPL - on CCDs	1,061.09	822.01
CTPL	0.01	-
IIJT	0.41	-
KBSPL	0.01	-
Revenue from operations		
Subsidiary companies		
TLEF	686.09	34.19
TDPL	4.38	3.33
KBSPL	0.33	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
TLSU	2,633.06	1,899.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 37: Related party disclosure (Contd..)

₹ in Lakhs

Transactions with related parties	31 March 2019	31 March 2018
Other income		
Subsidiary companies		
IIJT	3.00	3.00
Enterprises where key managerial personnel or their relatives exercise significant influence		
ILCPL	0.60	3.60

₹ in Lakhs

Transactions with related parties	31 March 2019	31 March 2018
Consultancy/services charges paid		
Subsidiary companies		
TDPL	285.25	86.99
CTPL	18.77	-
Associate		
School Guru	2.02	-
Joint Venture		
ARPL	1.01	-
Enterprises where key Managerial Personnel or their relatives exercise significant influence		
ILCPL	3.40	30.70
HANSINI	1.10	1.20
TLSU	283.91	248.14
Key managerial personnel and their relatives		
Asha Vishwanath	6.00	6.00
Interest expense - others		
Subsidiary companies		
TDPL	1.78	-
Expenses incurred by the Company on behalf of others - Cross charged		
Subsidiary companies		
TDPL	71.83	175.77
KBSPL	16.63	36.60
ETSPL	28.75	21.99
CTPL	2.65	-
IIJT	-	4.46
Enterprises where key managerial personnel or their relatives exercise significant influence		
ILCPL	6.04	41.37
TLSU	1.22	4.90
Loans and advances given to		
Subsidiary companies		
TLEF	8,075.00	2,235.00
IIJT	10.00	-
CTPL	10.00	-
TDPL	6,698.33	10,782.48
KBSPL	35.00	-
Loans and advances repaid by		
Subsidiary companies		
IIJT	12.00	25.30
TLEF	6,839.93	1,150.00
TDPL	6,915.40	5,154.65
KBSPL	35.00	-
Loan given converted into Investments		
Subsidiary companies		
TDPL		
Equity shares	-	662.50
Convertible debentures	-	3,630.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 37: Related party disclosure (Contd..)

₹ in Lakhs

Transactions with related parties	31 March 2019	31 March 2018
Debenture application money pending allotment		
Subsidiary companies		
TDPL	1,060.00	-
Subscription to CCD		
Subsidiary companies		
TDPL	660.00	-
Guarantee given on behalf of		
Subsidiary Company		
TDPL (Refer note 40)	1,200.00	-

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Managerial remuneration (Refer note below)		
Key managerial personnel and their relatives		
Ashok Reddy	111.64	99.03
Manish Sabharwal	90.00	87.24
Ravi Vishwanath	121.21	127.19
C. Mruthunjaya Murthy	9.72	24.84
Alaka Chanda	8.55	-
	341.11	**338.30**

Note:

1. As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the Company as a whole, the amount pertaining to key management personnel is not included.
2. The above includes ₹13.81 Lakhs (Previous Year ended 31 March 2018: ₹36.03 lakhs.) for share based compensation.

(iii) Outstanding balances as at year ended

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Loans and advances receivable		
Subsidiary companies		
IIJT	54.01	56.00
TDPL	2,160.25	2,377.32
TLEF	5,918.42	4,683.35
CTPL	10.00	-
Debenture application money pending allotment		
Subsidiary companies		
TDPL	1,060.00	-
Trade/other receivables		
Subsidiary companies		
TLEF	312.48	37.49
TDPL	15.11	12.32
CTPL	2.86	-
KBSPL	0.07	9.24
IIJT	-	0.51
ETSPL	-	23.67
Enterprises where key managerial personnel or their relatives exercise significant influence		
TLSU	2,064.12	1,332.59
Investments in equity shares		
Subsidiary companies		
TLEF	1.00	1.00
TDPL	2,363.50	2,363.50
IIJT (net of provision)	235.15	235.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 37: Related party disclosure (Contd..)

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
CTPL	1,934.65	614.64
Associate		
School Guru	758.90	758.90
Joint Venture		
ARPL	0.01	-
Investments in preference shares		
Associate		
School Guru	1,350.00	1,350.00
Joint Venture		
ARPL	505.66	-
Investments in CCDs		
Subsidiary companies		
TDPL	12,260.00	11,600.00

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Trade payables		
Subsidiary companies		
TDPL	53.39	36.59
CTPL	0.21	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
TLSU	22.90	-
Associate		
School Guru	2.02	-
Guarantee given on behalf of		
Subsidiary Company		
TDPL (Refer note 40)	1,200.00	-

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

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

₹ in Lakhs

	31 March 2019	31 March 2018
Balance as at the year end		
TLEF	5,918.42	4,683.35
CTPL	10.00	-
TDPL	2,160.25	2,377.32
Total	**8,088.67**	**7,060.67**
Maximum amount outstanding at any time during the year		
TLEF	5,918.42	4,783.35
CTPL	10.00	-
TDPL	3,682.83	2,809.50
Total	**9,611.25**	**7,592.85**

(ii) Loans and advances in the nature of loans to firms/companies in which directors are interested:

There are no outstanding dues from directors or other officers of the Company.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 39: Details of dues to micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

₹ in Lakhs

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises	57.77	-
-Interest due on above	2.17	-
Total	**59.94**	**-**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	1.51	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.17	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	2.17	-

Note 40: Contingent liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
(a) Service tax matters in dispute*	463.03	394.93
(b) Disputed bonus liability**	3,349.33	3,349.33
(c) ESIC matter under dispute	-	5.04
(d) Claims not acknowledged as debts (under dispute)***	988.37	988.37
(e) Income tax matters in dispute	2.54	-
(f) Bank guarantee given for overdraft facility taken by TDPL	1,200.00	-

(g) On 28 February 2019, the Hon'ble Supreme Court (SC) of India delivered a judgement clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. There are numerous interpretative issues relating to the SC judgement particularly for the potential liability, if any, for prior periods. On 1 April 2019, the Company through "Indian Staffing Federation" has filed representation to Ministry of Labour and Employment, Government of India, seeking Ministry's intervention and clarification on the matter. As a matter of abundant caution, the Company has made a provision on a prospective basis from the date of the SC order.

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 41: Commitments

(a) Capital commitments

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

₹ in Lakhs

	31 March 2019	31 March 2018
Property, plant and equipment	35.29	89.82

(b) Other commitments

(i) Performance bank guarantees to customers as at 31 March 2019 ₹1,857.47 lakhs (31 March 2018 : ₹2,033.13 lakhs) which are secured against current assets of the Company.

(c) Non-cancellable operating leases

The Company has entered into various cancellable and non-cancellable operating lease agreements for office premises at various locations. The lease period ranges between 1 year to 9 years. The lease rental charged during the year and obligation on the long term non-cancellable operating lease as per the lease agreement are as follows:

₹ in Lakhs

	31 March 2019	31 March 2018
Lease rentals under cancellable and non-cancellable leases	1,458.74	1,145.60

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

₹ in Lakhs

	31 March 2019	31 March 2018
Within one year	551.13	361.03
Later than one year but not later than five years	406.28	358.24
Later than five years	-	-

Note 42: Deduction under section 80JJAA

As per the amendment in the Finance Act, 2016, deduction under Section 80JJAA of the Income tax Act, 1961, was extended across to all the sectors. As per the provisions of Section 80JJAA, an assessee will be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to fulfilment of the other conditions mentioned in the Section 80JJAA. The Company has started availing such deduction from financial year 2016-17 onwards.

Note 43: Corporate Social Responsibility expenditure

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

Gross amount required to be spent by the Company towards corporate social responsibility expense (CSR) during the year is ₹104.55 lakhs (31 March 2018 ₹80.15 lakhs). The Company has not spent any amount towards CSR expenditure.

Note 44: Effect of adoption of IND AS 115

Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces the requirements of existing revenue recognition standard Ind AS 18. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 44: Effect of adoption of IND AS 115 (Contd..)

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018.

Pursuant to the applicability of Ind AS 115, Company has evaluated the impact for various revenue streams. In respect of revenues recognised till 31 March 2018, where performance obligation criteria was not met, the same has been reversed and the impact on initial application is adjusted to the opening balance of retained earnings. Therefore, the comparative information is not restated.

The effect of adopting Ind AS 115 as at 1 April 2018 is detailed below:

Assets	Increase/(decrease)
Trade receivables	(153.81)
Deferred tax assets (net)	53.22
Total Assets	**(100.59)**
Total adjustments to Equity	
- Retained earnings	**(100.59)**
Statement of profit and loss for the year ended 31 March 2019	**Increase/(decrease)**
Other operating revenue	(105.84)
Profit before tax	(105.84)
Tax expense (net of MAT credit)	-
Profit for the year	(105.84)
Impact on Earnings per share	
Basic and diluted - in Indian Rupees	(0.62)

Balance sheet as at 31 March 2019	Increase/(decrease)
Liabilities	
Contract liabilities	105.84
Current / deferred tax assets (net)	-

Performance obligation

Manpower services

Performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 0-30 days.

Recruitment and other services

For permanent and temporary recruitment business, performance obligation is satisfied once the replacement period is over and the Company has no further obligation to the customers. For skills and development, regulatory services and payroll, performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 30-60 days.

Note 45: Previous year

Previous year's figures have been reclassified, wherever necessary, to conform to the current year's classification.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Services Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of TeamLease Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint venture comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
A. Revenue recognition and recoverability of trade receivables	
The Group's consolidated revenue for the financial year 2018-19 amounts to ₹444,759.95 Lakhs (2017-18: ₹362,411.54 Lakhs). Majority of the Group's revenues come from General staffing and allied services. Group has various streams of revenue with multiple types of customer contracts characterized by a large volume of transactions. During the year, the Group has implemented Ind AS 115 'revenue from contracts with customers'. As disclosed in note 45, the new standard had no material impact on the statement of financial position, statement of profit and loss and statement of cash flows. Trade receivables represent 24.26% of the Group's total assets and 49.03% of the Group total shareholder's equity as of March 31, 2019.	We assessed the Group's internal controls over its significant revenue and trade receivables processes. We selected samples for multiple types of customer contracts under various revenue streams to assess the occurrence, completeness and measurement of the transactions. We performed procedures concerning the existence and valuation of trade receivables including debtor circularization, testing of invoices and subsequent collections. To assess the recoverability of trade receivables, we evaluated ageing of receivables, historical collection data, specific individual circumstances of the debtor balances and current economic trends.

Key audit matters	How our audit addressed the key audit matter
The Group has adopted a provision policy in respect of overdue trade receivables based on the past collection trends and industry data. Due to the multiple types of revenue contracts with various streams, significance of carrying values of trade receivables and the judgement involved for doubtful debts provision, this matter was considered significant to our audit. Refer to Note 24 and Note 13 to the consolidated Ind AS financial statements for the group's disclosure on revenue and trade receivables respectively.	
B. Goodwill	
Goodwill represents 11.54% of the Group's total assets and 23.31% of the Group's total shareholder's equity as of March 31, 2019. In determining the fair value/value in use of business reporting units, the Group has applied judgment in estimating future revenues, operating profit margins, long-term growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment. Key assumptions concerning the impairment test are disclosed in Note 5 to the consolidated Ind AS financial statements. Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, this matter was considered significant to our audit.	We assessed the Group's internal controls over preparation of annual budgets and future forecasts for various business reporting units and the approach followed for annual impairment test and key assumptions applied. We assessed reasonableness of the future revenue and margins, the historical accuracy of the Group's estimates and its ability to produce accurate long-term forecasts. We involved our valuation specialists to assist in examining the Group's valuation model and analyzing the underlying key assumptions, including long-term growth rates and discount rates. We evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. We compared the future operating cash flow forecasts with the business plan and budgets approved by the Board.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Corporate Governance Report, Business Responsibility Report and Report on Management Discussion and Analysis included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose Ind AS financial statements include total assets of ₹31,643.40 Lakhs as at March 31, 2019, and total revenues of ₹32,222.67 Lakhs and net cash outflows of ₹488.57 Lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹36.44 Lakhs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one associate and joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, associate and joint venture, none of the directors of the Group's companies, its associate and joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiaries, associates and joint venture incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. However, the said provisions are not applicable to the subsidiaries, associates and joint venture incorporated in India for the year ended March 31, 2019;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint venture in its consolidated Ind AS financial statements – Refer Note 38 to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint venture incorporated in India during the year ended March 31, 2019.

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

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: May 28, 2019

Annexure 1

to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of TeamLease Services Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of TeamLease Services Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of TeamLease Services Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and joint venture, which are companies incorporated in India, as of that date. This report however does not include report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Act (the "Report on Internal Financial Controls") for Schoolguru Eduserve Private Limited, associate of the Holding Company, as according to the information and explanation given to us, the said report on Internal Financial Controls is not applicable to such associates, basis the exemption available under MCA notification no. G.S.R. 583(E) dated July 13, 2017.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiaries and joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these six subsidiaries and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint venture incorporated in India.

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

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: May 28, 2019

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

₹ in Lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	931.48	542.65
Goodwill	5	12,567.92	11,275.12
Other intangible assets	5	1,676.05	1,937.29
Intangible assets under development		601.29	21.89
Financial assets			
Investment in associates and a joint venture	6	2,539.87	2,697.80
Loans	8	6,624.00	5,134.79
Other financial assets	9	5,245.71	4,186.20
Deferred tax assets (net)	10	6,531.34	3,992.19
Income tax assets (net)	11	16,142.98	9,989.33
Other non-current assets	12	224.83	201.62
Total non-current assets		**53,085.47**	**39,978.88**
Current assets			
Financial assets			
Investments	7	1,600.77	3,231.52
Trade receivables	13	26,434.91	22,348.64
Cash and cash equivalents	14	6,076.11	7,292.99
Bank balances other than cash and cash equivalents	14	6,228.08	6,950.40
Loans	8	135.18	139.52
Other financial assets	9	13,233.19	7,143.11
Other current assets	15	1,938.90	1,299.03
Assets classified as held for sale	42	221.73	221.73
Total current assets		**55,868.87**	**48,626.94**
Total assets		**108,954.34**	**88,605.82**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,709.68	1,709.68
Other equity	17	52,201.90	42,457.04
Total equity		**53,911.58**	**44,166.72**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	22	521.11	-
Net employee defined benefit liabilities	18	5,662.50	4,372.09
Other non-current liabilities	19	421.90	489.07
Total non-current liabilities		**6,605.51**	**4,861.16**
Current liabilities			
Financial liabilities			
Borrowings	20	1,063.11	728.69
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		90.52	-
Total outstanding dues other than micro enterprises and small enterprises		2,707.85	1,760.83
Other financial liabilities	22	21,273.08	16,258.13
Net employee defined benefit liabilities	18	3,906.34	2,241.83
Other current liabilities	23	19,380.10	18,567.46
Liabilities directly associated with the assets classified as held for sale	42	16.25	21.00
Total current liabilities		**48,437.25**	**39,577.94**
Total liabilities		**55,042.76**	**44,439.10**
Total equity and liabilities		**108,954.34**	**88,605.82**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

₹ in Lakhs

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	24	444,759.95	362,411.54
Other income	25	1,806.20	1,563.39
Total income		**446,566.15**	**363,974.93**
Expenses			
Employee benefits expense	26	419,715.30	347,123.72
Finance costs	27	522.44	246.67
Depreciation and amortization expense	28	1,051.11	915.84
Other expenses	29	15,599.73	8,409.59
Total expenses		**436,888.58**	**356,695.82**
Profit before share of profit/(loss) from associates and joint venture		9,677.57	7,279.11
Share of (loss)/ profit from associates and joint venture		(36.44)	(25.74)
Profit before tax		9,641.13	7,253.37
Tax expense:	11		
- Current tax		2,339.64	1,609.75
- Tax credit for earlier years		128.39	(81.10)
- Deferred tax			
Minimum Alternate Tax (MAT) credit		(2,203.21)	(1,553.46)
Deferred tax credit		(426.68)	(67.41)
Income tax (credit) / expense		**(161.86)**	**(92.22)**
Profit for the year		**9,802.99**	**7,345.59**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:	31		
Remeasurement gains on defined benefits obligation		33.78	35.26
Income tax effect		(10.44)	(12.20)
Other comprehensive income for the year, net of tax		**23.34**	**23.06**
Total comprehensive income for the year, net of tax		**9,826.33**	**7,368.65**
Earnings per equity share:			
Basic and diluted (amount in ₹)	30	57.34	42.96
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

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DIN: 00151814

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Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

₹ in Lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
Operating activities			
Profit before tax and share of profit/(loss) from associates and a joint venture		9,677.57	7,279.11
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense		1,051.11	915.84
Dividend income on mutual fund investments		(256.06)	(99.55)
Finance costs		522.44	246.67
Interest income		(1,145.23)	(852.87)
(Gain)/loss on disposal of property, plant and equipment (net)		(3.48)	1.77
Fair value adjustments (net)		10.78	(0.96)
Liabilities no longer required written back		(330.65)	(360.10)
Bad debts written off		294.79	131.86
Intangible assets under development written off		21.89	-
Provision for expected credit loss		366.73	469.28
Provision for doubtful advances		6.94	-
Share-based payment expenses		19.12	163.27
Sundry balances written off		1.14	19.88
Working capital adjustments			
(Increase) / decrease in trade receivables		(4,805.50)	(4,280.32)
(Increase) / decrease in loans		(270.77)	819.62
(Increase) / decrease in other assets		(670.55)	1,581.48
(Increase) / decrease in other financial assets		(7,288.31)	(1,591.09)
Increase/(decrease) in trade payables and other financial liabilities		6,221.95	535.26
Increase/(decrease) in other liabilities		1,005.94	9,736.21
Increase/(decrease) in net employee defined benefit liabilities		2,954.79	(241.93)
		7,384.64	**14,473.43**
Income tax paid (net)		(8,621.68)	(6,548.87)
Net cash flows (used in) / from operating activities		**(1,237.04)**	**7,924.56**
Investing activities			
Purchase of property, plant and equipment		(637.20)	(173.68)
Purchase of intangible assets (including under development)		(489.01)	(61.28)
Proceeds from disposal of property, plant and equipment		3.82	1.60
Acquisition of business (net of cash and cash equivalents acquired)		(922.43)	(3,478.62)
Sale / (purchase) of current investments		1,630.75	(2,200.35)
Dividend income on mutual fund investments		256.06	99.55
Loans and advances given to related parties		(1,166.46)	(1,038.04)
Purchase of non-current investments		(505.67)	(2,723.54)
Matured fixed deposits (net)		838.92	6,379.67
Interest received		1,167.35	839.85
Net cash flows from / (used in) investing activities		**176.13**	**(2,354.84)**
Financing activities			
Proceeds from issue on exercise of stock options		2.95	3.70
Proceeds from borrowings (net of repayments)		(122.84)	(1,086.21)
Finance costs		(493.34)	(246.67)
Net cash flows (used in) / from financing activities		**(613.23)**	**(1,329.18)**
Net increase / (decrease) in cash and cash equivalents		**(1,674.14)**	**4,240.54**
Cash and cash equivalents at the beginning of the year	14	6,687.14	2,446.60
Cash and cash equivalents at the end of the year		**5,013.00**	**6,687.14**
Summary of significant accounting policies	3		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount (in ₹ Lakhs)
Equity shares of ₹10 each:		
At 1 April 2017	**17,096,769**	**1,709.68**
Additions during the year	-	-
At 31 March 2018	**17,096,769**	**1,709.68**
Additions during the year	-	-
At 31 March 2019	**17,096,769**	**1,709.68**

Also refer note 16

b. Other equity

₹ in Lakhs

Particulars	Attributable to equity shareholders of the Company Reserves and surplus			Total other equity
	Securities premium	Stock option outstanding reserve	Retained earnings	Total
As at 1 April 2017	**23,972.72**	**358.03**	**10,594.37**	**34,925.12**
Profit for the year	-	-	7,345.59	7,345.59
Other comprehensive income	-	-	23.06	23.06
Total comprehensive income	**23,972.72**	**358.03**	**17,963.02**	**42,293.77**
Stock option compensation expense	-	163.27	-	163.27
As at 31 March 2018	**23,972.72**	**521.30**	**17,963.02**	**42,457.04**
As at 1 April 2018	**23,972.72**	**521.30**	**17,963.02**	**42,457.04**
Ind AS 115 transition adjustment (refer note 45)	-	-	(100.59)	(100.59)
Profit for the year	-	-	9,802.99	9,802.99
Other comprehensive income	-	-	23.34	23.34
Total comprehensive income	**23,972.72**	**521.30**	**27,688.76**	**52,182.78**
Stock option compensation expense	-	19.12	-	19.12
As at 31 March 2019	**23,972.72**	**540.42**	**27,688.76**	**52,201.90**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Corporate information

TeamLease Services Limited (the "Company") and its subsidiaries, associates, joint venture and trust are collectively referred herein as the "Group". The Group is primarily engaged in providing staffing services, HR requirements offering a gamut of services that include Temporary Staffing, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments, Telecom staffing, Technology led specialized academic services and end to end online services for software product engineering.

The Company was converted into a Public Limited company and obtained a fresh certificate of incorporation dated 15 May 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 12 February 2016.

The consolidated financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 28 May 2019.

2 Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instrument), defined benefit plan assets and share-based payments, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

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

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates, joint venture and trust as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Group information:

(a) Subsidiaries and Trust

The consolidated financial statements of the Group includes subsidiaries and ESOP trust listed in the table below:

₹ in Lakhs

Name of the subsidiary	Principal activities	Country of Incorporation	% equity interest	
			31 March 2019	31 March 2018
TeamLease Education Foundation ('TLEF')	Education and apprenticeship	India	100	100
TeamLease Digital Private Limited ('TDPL')	IT Staffing business	India	100	100
Keystone Business Solutions Private Limited ('KBSPL')	IT Staffing business	India	100	100
Evolve Technologies and Services Private Limited ('Evolve')	Telecom Staffing business	India	100	100
Cassius Technologies Private Limited ('Cassius') (subsidiary w.e.f. 31 July 2018)	End to end online service for software product engineering	India	100	30
IIJT Education Private Limited ('IIJT')		India	100	100
Employee Benefit Trust	Trust	India	100	100

(b) Associates and Joint venture

Associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Details of associates and joint venture considered for consolidation, with respective holdings thereof are as follows:

Name of the subsidiary	Country of incorporation	Date of acquisition	% of holding	Principal activities
Associate School Guru Eduserve Private Limited	India	1 December 2017	22.19	Technology-led specialised academic services
Joint venture Avantis Regtech Private Limited	India	1 November 2018	33.33	SAAS based governance, risk and compliance automation

The Group's investments in its associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate and a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate and joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the associate and joint venture. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate and joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

If an entity's share of losses of an associate equals or exceeds its interest in the associate and joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate and joint venture), the entity discontinues recognising its share of further losses, unless the Group has legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3 Summary of significant accounting policies

3.1 Current versus non-current classification

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

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

All other assets are classified as non current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

3.2 Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

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

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

3.3 Revenue recognition

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

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), while invoicing in excess of revenues are classified as Contract Liability (unearned revenue).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Manpower services

Revenue from manpower services is accounted on accrual basis on performance of the services agreed in the contract with the customers.

Recruitment and other services

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services, job portal and payroll is recognized on accrual basis on performance of the services agreed in the contract with the customers.

Interest income

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

Dividends

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.4 Taxes

Income Tax

Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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

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

3.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

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

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

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

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

Group as lessor

Lease income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation.

3.6 Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. All repair and maintenance costs are recognised in profit or loss as incurred.

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

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

Depreciation methods, estimated useful lives

Depreciation is calculated using the straight-line method over the estimated useful lives of the plant and equipment as given under Part C of Schedule II of the Act as follows:

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

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is lower.

3.7 Intangible assets

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Research and development costs

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

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

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

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

Amortization methods, estimated useful lives

Amortization is calculated using the straight-line method over the estimated useful lives of the Intangibles as follows:

Intangible assets	Useful life in Years	Internally generated or acquired
ALCS - software	3 years	Internally generated
Software others	3 years	Acquired
Brand	3-4 years	Acquired
Non competent rights	3-5 years	Acquired
Customer relationship	5 years	Acquired
Databases	4 years	Acquired

3.8 Impairment of non-financial assets

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

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

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

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Investment in equity instruments issued by subsidiaries, associates and joint venture are measured at cost less impairment. Investment in preference shares/ debentures of the subsidiaries, associates and joint venture are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Subsequent measurement

(i) Financial assets

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income (FVOCI)

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through profit or loss.

Derecognition of financial assets

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

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

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

(ii) Financial Liabilities

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

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

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

(iv) Fair value of financial instruments

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

Fair value hierarchy:

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

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

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

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

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

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

3.11 Treasury shares

The Company has created an Employee Benefit Trust ('EBT') for providing share-based payment to its employees. The promoters and directors of the Company, in prior years had contributed certain equity shares free of cost to EBT, which are issued to employees in accordance with the Company's Employee stock option plan.

The Company treats EBT as its extension and shares held by EBT are treated as treasury shares carried at nil value. Share options exercised during the reporting period are adjusted against treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve.

3.12 Cash and cash equivalents

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

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

3.13 Employee benefits

Defined benefit plan

Gratuity obligations

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

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

a) The date of the plan amendment or curtailment, and

b) The date that the Group recognises related restructuring costs.

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

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

Contribution to TeamLease Provident Fund

The Group has a defined benefit plan for post employment benefits in the form of provident fund. The Group makes contribution for provident fund to the trust set up by the Group and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Group. The Group's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Defined contribution plan

Contribution to Government Provident Fund

In case of subsidiaries and certain employees of TeamLease services limited, the Group pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Share-based payments

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

Compensated absences

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

3.14 Provisions and contingent liability

Provision

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

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

Contingent liability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

3.15 Cash dividend distribution to equity holders

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

3.16 Earnings Per Share (EPS)

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

3.17 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

Defined benefit plans

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

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

Taxes

Deferred tax assets are recognised on deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Impairment of non-current assets including investments in associates, joint venture and goodwill

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow ('DCF') model. Further, the cash flow projections are based on estimates and assumptions relating to operational performance, growth rate, operating margins of the CGU.

Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

3.18 Operating segment

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segment. CODM evaluates the performance of Group and allocated resources based on the analysis of various performance indicators of the Group. The operating segment comprises of the following:

a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAP.

b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance, Training Operations and Job Portal.

c) Specialized Staffing Services - Comprises of IT Staffing and Telecom Staffing Operations.

3.19 Business combinations and goodwill

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3.20 Relevant standard issued but not yet effective

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

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group will adopt the aforesaid standard effective from 1 April 2019. As at the date of issuance of the Group's financial statements, the Group is in the process of evaluating the requirements of the aforesaid standard and the impact on its financial statements in the period of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 4: Property, plant and equipment

₹ in Lakhs

	Office equipment	Computers	Furniture & fixtures	Vehicles	Plant & machinery	Leasehold Improvements	Total
Gross block							
As at 1 April 2017	155.18	64.71	127.44	29.25	-	-	376.58
Acquired on acquisitions (Refer note 43)	-	73.14	-	-	195.71	-	268.85
Additions	75.66	80.01	16.81	-	1.59	-	174.07
Disposals	(0.05)	(9.49)	-	-	-	-	(9.54)
As at 31 March 2018	**230.79**	**208.37**	**144.25**	**29.25**	**197.30**	**-**	**809.96**
Acquired on acquisitions (Refer note 43)	5.53	23.11	6.06	12.34	-	-	47.04
Additions	148.68	110.02	8.51	14.96	59.48	295.18	636.83
Disposals	-	(0.60)	-	(5.22)	-	-	(5.82)
As at 31 March 2019	**385.00**	**340.90**	**158.82**	**51.33**	**256.78**	**295.18**	**1,488.01**
Accumulated depreciation							
As at 1 April 2017	50.11	27.90	20.65	5.64	-	-	104.30
Charge during the year	38.41	54.04	24.00	5.73	47.00	-	169.18
Disposals	(0.05)	(6.12)	-	-	-	-	(6.17)
As at 31 March 2018	**88.47**	**75.82**	**44.65**	**11.37**	**47.00**	**-**	**267.31**
Charge during the year	63.26	98.38	20.02	8.32	85.79	18.93	294.70
Disposals	-	(0.26)	-	(5.22)	-	-	(5.48)
As at 31 March 2019	**151.73**	**173.94**	**64.67**	**14.47**	**132.79**	**18.93**	**556.53**
Net block							
As at 31 March 2018	**142.32**	**132.55**	**99.60**	**17.88**	**150.30**	**-**	**542.65**
As at 31 March 2019	**233.27**	**166.96**	**94.15**	**36.86**	**123.99**	**276.25**	**931.48**

Note 5: Other intangible assets

₹ in Lakhs

	Customer relationships	Brand	Non-compete	Databases	ALCS - software	Software - others	Total	Goodwill
Gross block								
As at 1 April 2017	1,355.90	61.21	309.08	-	587.33	239.00	2,552.52	8,373.63
Acquired on acquisitions (Refer note 43)	201.93	93.95	228.62	-	-	73.71	598.21	2,901.49
Additions	-	-	-	-	-	39.39	39.39	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	**1,557.83**	**155.16**	**537.70**	**-**	**587.33**	**352.10**	**3,190.12**	**11,275.12**
Acquired on acquisitions (Refer note 43)	262.30	88.54	50.20	37.23	-	39.93	478.20	1,292.80
Additions	-	-	-	-	-	16.97	16.97	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	**1,820.13**	**243.70**	**587.90**	**37.23**	**587.33**	**409.00**	**3,685.29**	**12,567.92**
Accumulated amortisation As at 1 April 2017	131.02	10.74	40.17	-	235.06	89.18	506.17	-
Charge during the year	288.01	33.45	99.30	-	235.06	90.84	746.66	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	**419.03**	**44.19**	**139.47**	**-**	**470.12**	**180.02**	**1,252.83**	**-**
Charge during the year	346.54	66.48	132.66	6.20	117.21	87.32	756.41	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2019	**765.57**	**110.67**	**272.13**	**6.20**	**587.33**	**267.34**	**2,009.24**	**-**
Net block								
As at 31 March 2018	**1,138.80**	**110.97**	**398.23**	**-**	**117.21**	**172.08**	**1,937.29**	**11,275.12**
As at 31 March 2019	**1,054.56**	**133.03**	**315.77**	**31.03**	**-**	**141.66**	**1,676.05**	**12,567.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 5: Other intangible assets (Contd..)

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. Goodwill acquired through business combinations has been allocated to two CGUs i.e. specialised staffing services and other HR services, which are also operating and reportable segments, for impairment testing. Key assumptions in budgets and plans include future revenue, associated future levels of marketing expense and other relevant cost. These assumptions are based on historical trends and future market expectations related to the CGUs.

The following table set out the key assumptions for Goodwill impairment:

Segment	31 March 2019		31 March 2018	
	Specialised Staffing Services	Other HR Services	Specialised Staffing Services	Other HR Services
Growth rate (average)	20.87%	42.91%	22.20%	-
Operating margins (average)	9.20%	22.21%	9.26%	-
Discount rate (post-tax)	17.58%	17.60%	17.66%	-

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGUs. These estimates may differ from future actual results of operations and cash flows. Based on the above assessment, there has been no impairment of goodwill as at 31 March 2019.

Note 6: Investments

₹ in Lakhs

	31 March 2019	31 March 2018
Non current, Unquoted (at cost)		
(A) Investments in Equity Shares		
Associates		
Cassius Technologies Private Limited	-	617.05
Nil (31 March 2018: 3,333) equity shares of ₹10 each, fully paid (Refer Note 1 below)		
School Guru Eduserve Private Limited	715.99	730.75
184,068 (31 March 2018: 184,068) equity shares of ₹10 each, fully paid (Refer Note 2 below)		
Joint Venture		
Avantis Regtech Private Limited		
1 equity share (31 March 2018: Nil) of ₹1 each (Refer Note 3 below)	0.01	-
(B) Investment in Preference Shares		
Associate		
School Guru Eduserve Private Limited	1,350.00	1,350.00
0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS)		
269,681 (31 March 2018: 269,681) preference shares of ₹10 each (Refer Note 2 below)		
Joint Venture		
Avantis Regtech Private Limited		
0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS)	473.87	-
219,298 (31 March 2018: Nil) preference shares of ₹1 each (Refer Note 3 below)		
	2,539.87	**2,697.80**
Aggregate Value of unquoted investments	2,539.87	2,697.80
Aggregate amount of provision for diminution	-	-

Notes:

1) The Company entered into a definitive agreement on 29 May 2017 to acquire 30% stake in Cassius Technologies Private Limited ("CTPL"). During the year ended 31 March 2019, the Company acquired additional equity stake of 21% in CTPL as per the definitive agreements at an agreed consideration of ₹378.00 lakhs, thereby increasing the total stake to 51% in CTPL. Further, the Company has an option to acquire balance 49% equity stake at an agreed price payable in two tranches by June 2020 (also refer note 22). Accordingly,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

CTPL has been accounted for as a 100% subsidiary with effect from 31 July 2018. CTPL is engaged in rendering end to end online services for software product engineering.

2) The Company entered into a definitive agreement on 8 November 2017, with School Guru Eduserve Private Limited ("School Guru") to acquire 16.31% equity stake in School Guru (on fully diluted basis) and further subscribed to CCCPS. School Guru is engaged in rendering technology-led specialized academic services.

3) The Company entered into an investment agreement with Avantis Regtech Private Limited ("ARPL") on 1 November 2018 and invested in 1 equity share of ₹1 each and subscribed to 219,298 0.1% CCCPS of ₹1 each, both at a premium of ₹227 per share for total consideration of ₹500 lakhs. ARPL is engaged in rendering SAAS based governance, risk and compliance automation.

Note 7: Current Investments (at fair value through profit and loss)

Investment in mutual funds

₹ in Lakhs

	31 March 2019	31 March 2018
Reliance Quarterly Interval Fund - Growth Plan	1,600.77	-
6,236,513.54 Units of ₹25.67 each (31 March 2018: Nil)		
HDFC Cash Management Fund - Savings	-	1,518.83
Nil (31 March 2018: 1,42,795.48 Units of ₹1063.64 each)		
BNP Paribas Overnight Fund Daily Dividend	-	1,004.19
Nil (31 March 2018: 100,368.86 Units of ₹1000.50 each)		
TATA Liquid Fund Regular Plan - Daily Dividend	-	708.50
Nil (31 March 2018: 63,569.72 Units of ₹1114.52 each)		
	1,600.77	**3,231.52**
Aggregate amount of unquoted investment and market value thereof	1,600.77	3,231.52

Note 8: Loans

Non-current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good, unless otherwise stated)	5,580.00	4,313.54
Loan to related parties (Refer note 37)	865.72	622.92
Security deposits	178.28	198.33
Other deposits	**6,624.00**	**5,134.79**
(Credit Impaired)		
Other deposits	82.48	82.70
Less: Provision	(82.48)	(82.70)
	-	**-**
	6,624.00	**5,134.79**

Current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good, unless otherwise stated)		
Loan to related parties (Refer note 37)	-	100.00
Security deposits	106.25	29.89
Other deposits	28.93	9.63
	135.18	**139.52**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note 9: Other financial assets

Non-current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good, unless otherwise stated)		
Interest accrued on fixed deposits	20.23	13.67
Reimbursement right for gratuity/compensated absences	5,002.71	3,833.16
Fixed deposits with banks (maturity of more than 12 months) (Refer note 14)	222.77	339.37
	5,245.71	**4,186.20**

Current

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good, unless otherwise stated)		
Interest accrued on fixed deposits	126.17	154.85
Unbilled revenue	8,535.04	4,973.28
Reimbursement right for gratuity/compensated absences	3,620.22	2,014.98
Other assets	951.76	-
	13,233.19	**7,143.11**

Note 10: Deferred tax assets (net)

₹ in Lakhs

	31 March 2019	31 March 2018
Deferred tax assets/(liabilities)	1,555.84	1,219.91
MAT credit entitlement	4,975.50	2,772.28
	6,531.34	**3,992.19**

₹ in Lakhs

As at	Provision for expected credit loss	Depreciation on fixed assets	Provision for leave encashment and gratuity	Unabsorbed Depreciation and business losses	Others	Total
1 April 2017	736.40	(116.97)	224.82	387.12	34.13	1,265.50
Credit/ charge:						
Profit and loss	113.22	(476.85)	28.35	403.28	(0.59)	67.41
Other comprehensive income	-	-	(12.20)	-	-	(12.20)
Deferred taxes acquired in business combinations	8.26	(132.64)	23.58	-	-	(100.80)
31 March 2018	**857.88**	**(726.46)**	**264.55**	**790.40**	**33.54**	**1,219.91**
Credit/ charge:						
Ind AS 115 transition adjustment (refer note 45)	-	-	-	-	53.22	53.22
Profit and loss	117.67	101.83	65.64	190.87	(49.33)	426.68
Other comprehensive income	-	-	(10.44)	-	-	(10.44)
Deferred taxes acquired in business combinations	2.41	(144.23)	8.29	-	-	(133.53)
31 March 2019	**977.96**	**(768.86)**	**328.04**	**981.27**	**37.43**	**1,555.84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 11: Income tax assets (net)

₹ in Lakhs

	31 March 2019	31 March 2018
Advance income tax (net of provision for taxation)	16,142.98	9,989.33
	16,142.98	**9,989.33**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Current income tax charge	2,339.64	1,609.75
Tax adjustment for earlier years	128.39	(81.10)
MAT credit entitlement	(2,203.21)	(1,553.46)
Deferred tax (net)	(426.68)	(67.41)
Income tax reported in the statement of profit or loss	**(161.86)**	**(92.22)**

Income tax recognised in other comprehensive income

₹ in Lakhs

	31 March 2019	31 March 2018
Deferred tax charge	10.44	12.20
Income tax expense charged to OCI	**10.44**	**12.20**

Reconciliation of effective tax rate:

₹ in Lakhs

	31 March 2019	31 March 2018
Profit before share of profit/(loss) from associates and a joint venture	9,677.57	7,279.11
Tax using the Company's domestic tax rate @34.944% (31 March 2018: 34.608%)	3,381.73	2,519.15
Tax effect of:		
Tax exempt income	(51.44)	(34.45)
Non-deductible tax expense	213.47	56.51
Provisions related to prior years	128.39	(81.10)
80JJAA deduction	(3,576.39)	(2,685.31)
DTA reversed on business losses due to permanent disallowance	51.94	-
Others	(309.56)	132.98
Income tax (credit)/expense	**(161.86)**	**(92.22)**

Note 12: Other non-current assets

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Advance towards acquisition of business (Refer note below)	202.27	-
Prepaid expenses	22.56	187.58
Balances with statutory/ government authorities	-	14.04
	224.83	**201.62**
(Credit impaired)		
Balances with statutory/ government authorities	64.82	64.82
Less: Provision	(64.82)	(64.82)
	-	**-**
	224.83	**201.62**

Note : During the year ended 31 March 2019, the Company through its subsidiary TeamLease Digital Private Limited (TDPL) entered into definitive business transfer agreement with E Centric Solutions Private Limited ("eCentric") to acquire the IT Staffing vertical of eCentric, a company incorporated under Companies Act, 1956 at an agreed consideration of ₹1,559 lakhs. eCentric is engaged in the business of providing staffing and recruitment services to clients in the Information Technology sector. The IT staffing vertical of eCentric got transferred to TDPL on 1 April 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 13: Trade receivables

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Trade receivables from related parties	2,064.12	1,332.59
Trade receivables - others (net of bills discounted)	24,370.79	21,016.05
	26,434.91	**22,348.64**
(Significant increase in credit risk / Credit impaired)		
Trade receivables - others	2,848.23	2,510.95
Less: Allowance for doubtful debts	(2,848.23)	(2,510.95)
	-	-
	26,434.91	**22,348.64**

a) No receivable is due from directors or other officers of the Group either severally or jointly with any other person. For trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 37.

b) Trade receivables are non-interest bearing and with credit period upto 120 days.

Note 14: Cash and cash equivalents and bank balances

₹ in Lakhs

	31 March 2019	31 March 2018
Balances with banks:		
- On current accounts	6,046.71	7,292.54
- Deposits with original maturity of less than 3 months*	29.21	-
Cash on hand	0.19	0.45
	6,076.11	**7,292.99**
Other bank balances		
Deposits with remaining maturity of less than 12 months*	6,228.08	6,950.40
Deposits with remaining maturity of more than 12 months**	222.77	339.37
	6,450.85	**7,289.77**
Less : Amounts disclosed under other financial assets (Refer note 9)	(222.77)	(339.37)
	6,228.08	**6,950.40**
	12,304.19	**14,243.39**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Balances with banks		
- On current accounts	6,046.71	7,292.54
- Deposits with remaining maturity of less than 3 months	29.21	-
- Cash on hand	0.19	0.45
	6,076.11	**7,292.99**
Less: Bank overdraft (Refer note 20)	(1,063.11)	(605.85)
	5,013.00	**6,687.14**

*Fixed deposits of ₹5,845.90 lakhs as at 31 March 2019 (31 March 2018: ₹5,559.72) lakhs is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Group.

**Fixed deposits of ₹222.77 lakhs as at 31 March 2019 (31 March 2018: ₹339.37 lakhs) is under lien with various banks for the Overdraft facilities and Guarantee issued to third parties on behalf of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 15: Other current assets

₹ in Lakhs

	31 March 2019	31 March 2018
(Unsecured, Considered good)		
Prepaid expenses	971.49	645.66
Advances to suppliers	335.85	180.36
Loans and advances to employees	73.00	50.98
Advances, other than capital advances	388.44	399.45
Other assets	170.12	22.58
	1,938.90	**1,299.03**
(Credit impaired)		
Other advances	6.94	11.92
Less: Provision	(6.94)	(11.92)
	-	-
	1,938.90	**1,299.03**

Note 16: Equity share capital

Equity share capital

₹ in Lakhs

	31 March 2019	31 March 2018
(i) Authorised equity share capital		
23,300,000 (31 March 2018: 23,300,000) equity shares of ₹10 each.	2,330.00	2,330.00
(ii) Authorised 12% Cumulative Convertible Redeemable Preference Shares (CCPS)		
170,000 (31 March 2018: 170,000) CCPS of ₹100 each	170.00	170.00
(iii) Issued, subscribed and fully paid-up shares		
17,096,769 (31 March 2018: 17,096,769) equity shares of ₹10 each.	1,709.68	1,709.68
Total issued, subscribed and fully paid-up shares	**1,709.68**	**1,709.68**

(iv) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

₹ in Lakhs

Name of the shareholders	31 March 2019		31 March 2018	
	Numbers	% holding	Numbers	% holding
Equity shares of ₹10 each fully paid				
HR Offshoring Ventures Pte Limited	4,400,812	25.74	4,571,779	26.74
NED Consultants LLP	1,538,933	9.00	1,624,416	9.50
Dhana Management Consultancy LLP	894,413	5.23	904,413	5.29
GPE (India) Limited	-	-	1,114,324	6.52

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

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

(a) On 25 June 2015, the shareholders of the Company approved the issue and allotment of 29 Bonus equity shares of ₹1 each for every equity share of ₹1 each held by the members as on that date. Post such bonus issue, every 10 equity shares of ₹1 each of the Company are consolidated into 1 equity share of ₹10 each thereby, 153,320,640 shares of ₹1 each had been consolidated into 15,332,064 shares of ₹10 each w.e.f. 10 July 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 16: Equity share capital (Contd..)

(b) There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended 31 March 2019.

(c) There are no shares bought back by the Company during the period of five years immediately preceding the year ended 31 March 2019.

Note 17: Other equity

₹ in Lakhs

	31 March 2019	31 March 2018
Securities premium	23,972.72	23,972.72
Retained earnings	27,688.76	17,963.02
Stock option outstanding reserve	540.42	521.30
	52,201.90	**42,457.04**

Nature and purpose of other reserves

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of Companies Act, 2013.

(ii) Stock option outstanding reserve

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

Note 18: Net employee defined benefit liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
Non-current		
Employee benefits - Gratuity (Refer note 31)	4,727.05	4,152.87
Employee benefits - Compensated absences	935.45	219.22
	5,662.50	**4,372.09**
Current		
Employee benefits - Gratuity (Refer note 31)	2,534.28	2,126.34
Employee benefits - Compensated absences	1,372.06	115.49
	3,906.34	**2,241.83**

Note 19: Other non-current liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
Disputed tax liabilities (Refer Note 38)	421.90	421.90
Other liabilities	-	67.17
	421.90	**489.07**

Note 20: Borrowings - current

₹ in Lakhs

	Effective Interest rate	Maturity	31 March 2019	31 March 2018
Secured				
Bank overdraft	7% to 9.35%	On Demand	1,063.11	605.85
Unsecured				
Short term loan	9.30%	7 December 2018	-	122.84
			1,063.11	**728.69**

*Overdraft facilities of ₹211.50 lakhs (31 March 2018: ₹605.85 lakhs) are secured by lien on fixed deposits. Overdraft facilities of ₹851.61 lakhs (31 March 2018: Nil) is secured by first charge on current assets of TDPL and bank guarantee given by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 21: Trade payables

Current

₹ in Lakhs

	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises	90.52	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,707.85	1,760.83
	2,798.37	**1,760.83**

Refer note 37 for details of trade payables to related parties.

Note 22: Other financial liabilities

Non-Current

₹ in Lakhs

	31 March 2019	31 March 2018
Other liabilities (for CTPL)	521.11	-
	521.11	**-**

Current

₹ in Lakhs

	31 March 2019	31 March 2018
Employees benefits payable	19,582.50	14,008.52
Other liabilities	922.41	1,134.84
Creditors for capital goods	0.02	0.39
Security deposits	190.71	126.62
Book overdraft	577.44	987.76
	21,273.08	**16,258.13**

Note 23: Other current liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
Statutory dues payable	12,122.27	10,606.48
Advance from customers	2,647.20	5,183.04
Unearned revenue	280.55	-
Other liabilities	4,330.08	2,777.94
	19,380.10	**18,567.46**

Note 24: Revenue from operations

₹ in Lakhs

	31 March 2019	31 March 2018
Sale of services		
-General staffing	398,097.58	335,220.75
-Specialized staffing	30,916.30	18,293.44
Recruitment services		
-Permanent recruitment	2,115.16	1,641.47
-Temporary recruitment	304.82	215.85
Skills and development etc.	8,410.75	3,662.11
Income from regulatory Services	1,573.57	1,324.00
Income from job portal	590.37	-
Payroll income	2,751.40	2,053.92
Total revenue	**444,759.95**	**362,411.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 24: Revenue from operations (Contd..)

Other disclosures

Disaggregated revenue information

The disaggregation of Company's revenue from contracts with customers, which is in agreement with the amounts disclosed in the segment information and the contracted price are provided in note 36.

₹ in Lakhs

Contract balances	31 March 2019	31 March 2018
Contract assets - Trade receivables	26,434.91	22,348.64
Contract assets - Unbilled revenue	8,535.04	4,973.28
Contract liabilities - Advance from customers	2,647.20	5,183.04
Contract liabilities - Unearned revenue	280.55	-

Trade receivables are non-interest bearing and are generally on credit terms of upto 120 days. The increase in trade receivables is primarily on account of increase in manpower services. During the year, net provision for expected credit losses on trade receivables was recognised amounting to ₹329.90 lakhs (31 March 2018: ₹349.01 lakhs).

Set out below is the amount of revenue recognised from:

₹ in Lakhs

Contract balances	31 March 2019	31 March 2018
Amounts included in contract liabilities at the beginning of the year	4,697.18	1,230.20
Performance obligations satisfied in previous years	-	-

Note 25: Other income

₹ in Lakhs

	31 March 2019	31 March 2018
Interest income on:		
Loans to related parties (Refer note 37)	410.90	176.71
Deposits with banks	422.67	676.16
Income tax refunds	311.66	1.06
Others	24.26	20.70
Rental income	34.51	48.30
Liabilities no longer required written back	330.65	360.10
Dividend income on mutual fund investments	256.06	99.55
Profit on disposal of property, plant and equipment (net)	3.48	-
Miscellaneous income	12.01	180.81
Total other income	**1,806.20**	**1,563.39**

Note 26: Employee benefits expense

₹ in Lakhs

	31 March 2019	31 March 2018
Salaries, wages and bonus	388,220.44	320,199.68
Stock option compensation expense	19.12	163.27
Gratuity expense	159.16	143.84
Compensated absences	338.03	128.40
Contribution to provident fund and other funds	28,361.78	24,635.22
Staff welfare expenses	2,616.77	1,853.31
Total employee benefits expense	**419,715.30**	**347,123.72**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note 27: Finance cost

₹ in Lakhs

	31 March 2019	31 March 2018
Interest on bank overdraft	423.29	225.00
Interest on financial liability	29.09	-
Interest - others	70.06	21.67
	522.44	**246.67**

Note 28: Depreciation and amortisation expense

₹ in Lakhs

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment	294.70	169.18
Amortization of other intangible assets	756.41	746.66
	1,051.11	**915.84**

Note 29: Other expenses

₹ in Lakhs

	31 March 2019		31 March 2018	
Training expenses (skill development)		5,780.30		1,998.64
Rent		1,939.24		1,796.87
Rates and taxes		91.34		63.59
Electricity		216.89		167.70
Traveling and conveyance		1,979.88		684.06
Repairs and maintenance				
- Leasehold premises		7.50		14.14
- Others		1,113.71		747.30
Printing and stationery		389.98		350.94
Legal and professional charges		1,680.79		1,055.26
Intangibles under development written off		21.89		-
Sundry balances written off		1.14		19.88
Insurance		21.01		22.36
Bad debts written off	331.62		252.13	
Less: Provision for expected credit loss utilised	(36.83)	294.79	(120.27)	131.86
Provision for expected credit loss		366.73		469.28
Provision for doubtful advances		6.94		-
Foreign exchange loss		4.96		2.86
Loss on disposal of property, plant and equipment (net)		-		1.77
Miscellaneous expenses		1,682.64		883.08
		15,599.73		**8,409.59**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note 30: Earnings per share

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

	31 March 2019	31 March 2018
Profit attributable to equity shareholders (₹ in lakhs)	9,802.99	7,345.59
Nominal value of each equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	17,096,769	17,096,769
EPS - basic and diluted (₹)	57.34	42.96

Note 31: Employee benefit obligation

(a) Provident fund

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

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Accumulated surplus as per TeamLease Services Limited Employees Provident Fund Trust*	4,680.50	4,908.43
Provident fund obligations*	(244.86)	(180.06)
Principal assumptions are as follows:		
Discount rate (per annum)	7.07%	7.50%
Average historic yield on the investment portfolio	8.65%	8.82%
Appropriate term (in years)	5	5
Remaining term to maturity of provident fund portfolio (in years)	5.85	5.81
Discount rate for the remaining term to maturity of the investment portfolio (per annum)	-	-
Mortality	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

* No Liability has been provided as the balances in the Reserves and Surplus as aforesaid is more than the Provident Fund Obligation.

Disclosures included are limited to the extent of disclosures provided by the actuary.

The expense recognised during the year towards provident fund is ₹18,556.03 lakhs (31 March 2018 ₹16,596.42 lakhs), including for employees covered under defined contribution plan.

(b) Gratuity (Associate)

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

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

Net defined benefit liability/ (assets)

₹ in Lakhs

	31 March 2019	31 March 2018
Present value of unfunded obligation	6,758.22	5,848.14
Fair value of plan assets	-	-
Net liability	**6,758.22**	**5,848.14**
Current	2,406.44	2,014.98
Non-current	4,351.78	3,833.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note 31: Employee benefit obligation (Contd..)

Net benefit cost (refer note below)

₹ in Lakhs

	31 March 2019	31 March 2018
Current service cost	3,898.03	3,407.39
Past service cost	-	4.47
Net actuarial (gain)/loss recognised in the year	(1,903.67)	(1,235.41)
Interest cost on defined benefit obligation	349.44	259.79
Net benefit expense	**2,343.80**	**2,436.24**

Note: The employee benefits expense towards gratuity and related reimbursement right for associate employees is netted off in the Statement of Profit and Loss.

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

₹ in Lakhs

	31 March 2019	31 March 2018
Defined benefit obligation at beginning of the year	5,848.14	4,508.64
Current service cost	3,898.03	3,407.39
Past service cost	-	4.47
Interest cost on defined benefit obligation	349.44	259.79
Benefits paid	(1,433.72)	(1,096.74)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(0.31)	(26.53)
Actuarial (gain) / loss arising from changes in financial assumptions	(70.06)	(130.32)
Actuarial (gain) / loss arising from changes in experience adjustments	(1,833.30)	(1,078.56)
Defined benefit obligation at end of the year	**6,758.22**	**5,848.14**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Discount rate	6.66%	6.81%
Salary escalation rate	4.00%	6.00%
Attrition rate	45.00%	45.00%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

Note: The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2019 and 31 March 2018 are as shown below:

₹ in Lakhs

	31 March 2019		31 March 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	6,626.48	6,895.95	5,730.39	5,971.37
Salary escalation rate	6,865.25	6,653.97	5,943.16	5,755.63
Attrition rate	6,703.89	6,813.77	5,793.81	5,903.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 31: Employee benefit obligation (Contd..)

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

₹ in Lakhs

	31 March 2019	31 March 2018
Year 1	2,406.44	2,014.98
Year 2	1,679.78	1,407.21
Year 3	1,187.41	1,065.35
Year 4	858.56	774.90
Year 5	601.42	548.53
Next 5 years	743.37	704.61

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2018: 2 years)

(c) Gratuity (Core employees)

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

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

Net defined benefit liability/ (assets)

₹ in Lakhs

	31 March 2019	31 March 2018
Present value of funded obligation	505.61	433.37
Defined benefit obligation based on actual liability	0.57	0.47
Fair value of plan assets	(3.07)	(2.77)
Net liability	**503.11**	**431.07**
Current	127.84	111.36
Non-current	375.27	319.71

Net benefit cost recognised in statement of profit and loss

₹ in Lakhs

	31 March 2019	31 March 2018
Current service cost	156.69	105.15
(Gains)/losses on curtailments and settlements	(26.08)	-
Current service cost based on actual liability	0.08	0.06
Past service cost	-	16.46
Interest cost on defined benefit obligation	28.47	22.17
Net benefit expense	**159.16**	**143.84**

Remeasurement loss/(gains) in other comprehensive income

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Due to change in demographic assumptions	12.78	22.16
Due to change in financial assumptions	13.94	(14.31)
Due to change in experience adjustments	(60.40)	(43.17)
Return/ earning on plan assets (excluding interest income)	(0.10)	0.06
Actuarial loss recognised in OCI	**(33.78)**	**(35.26)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 31: Employee benefit obligation (Contd..)

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

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at beginning of the year	433.37	341.40
Added on acquisitions	29.73	37.05
Current service cost	156.69	105.15
Past service cost	-	16.46
Interest cost on defined benefit obligation	28.47	22.17
Benefits paid	(82.89)	(53.54)
(Gain)/Loss on curtailment	(26.08)	-
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	12.78	22.16
Actuarial (gain) / loss arising from changes in financial assumptions	13.94	(14.31)
Actuarial (gain) / loss arising from changes in experience adjustments	(60.40)	(43.17)
Defined benefit obligation at end of the year	**505.61**	**433.37**

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at beginning of the year	2.77	2.67
Addition through acquisition of subsidiaries	-	-
Expected return on plan asset	0.20	0.17
Employer contributions	6.24	17.00
Benefits payment	(6.24)	(17.01)
Remeasurement - actuarial gain/ (loss)	0.10	(0.06)
Fair value of plan assets at end of the year	**3.07**	**2.77**

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

₹ in Lakhs

	31 March 2019	31 March 2018
Discount rate	6.53% - 7.78%	6.81% - 7.75%
Salary escalation rate	5% - 12%	5% - 8%
Attrition rate	1% - 52%	1% - 51%
Retirement age	58 - 60	58 - 60
Mortality tables	Indian Assured Lives Mortality (2006-08) / (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table

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

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at 31 March 2019 and 31 March 2018 are as shown below:

₹ in Lakhs

	31 March 2019		31 March 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	473.41	511.70	415.28	454.41
Salary escalation rate	506.00	477.25	452.28	417.04
Attrition rate	486.40	496.76	431.56	437.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

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

₹ in Lakhs

	31 March 2019	31 March 2018
Year 1	129.09	113.66
Year 2	100.71	83.12
Year 3	79.31	67.82
Year 4	63.24	55.26
Year 5	51.53	44.10
Next 5 years	106.00	85.02

The weighted average duration of defined benefit obligation at the end of the reporting period is around 2 years (31 March 2018: 2 years).

Note 32: Share based payments

Employee Share Option Scheme (ESOP)

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

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

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

₹ in Lakhs

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

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

B. Movement in the options granted to employees

₹ in Lakhs

Particulars	Number of Options		Weighted average Exercise price (₹)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Outstanding at beginning of the year	46,367	93,372	10.00	10.00
Expired	3,533	10,784	10.00	10.00
Exercised	30,110	36,221	10.00	10.00
Outstanding at end of the year	12,724	46,367	10.00	10.00
Exercisable at end of the year	12,320	29,930	10.00	10.00

Fair value of options granted

The fair value of stock options granted is estimated using Black-Scholes valuation model, which incorporates various assumptions including expected life, volatility, risk-free interest rates, and dividend yield. As no stock options were granted for the year ended 31 March 2019 and 31 March 2018, valuation assumptions are not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

The weighted average remaining contractual life for the share options outstanding as at 31 March 2019 was 0.10 years (31 March 2018: 0.82 years).

The weighted average exercise price of the outstanding option is ₹10 (31 March 2018: ₹10).

The impact of the fair value of the options granted as an expense is ₹19.12 lakhs (31 March 2018: ₹163.27 lakhs) for the Group.

Note 33: Fair value measurements

Financial assets measured at fair value through profit/ loss:

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Financial Assets		
Investment in mutual funds (Quoted price in active markets Level 1)	1,600.77	3,231.52

There are no transfers between levels during the year.

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

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

Note 34: Financial risk management objectives and policies

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

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

Risk management framework

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

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

(a) Market risk

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

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

(i) Foreign Currency Risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

(ii) Interest rate risk

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

(b) Credit risk

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

Trade receivables

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

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

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

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Opening balance	2,510.95	2,136.94
Added on acquisitions	7.38	25.00
Amount provided/ (reversed) during the year (net)	329.90	349.01
Closing provision	2,848.23	2,510.95

Financial instruments

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

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

(c) Liquidity risk

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

Except for financial liability of ₹521.11 lakhs due within 1-2 years, all other financial liabilities are due within 1 year from the balance sheet date. The existing surplus funds along with the cash generated by the Company are sufficient to meet its current/ non-current obligations.

Note 35: Capital management

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

Note 36: Segment information

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segment. The CODM evaluates the Group's performance and allocate resources based on analysis of various performance indicators of the Group. Accordingly, segment information has been presented for the nature of services rendered by the Group.

Segment Policies:

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

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

(i) Reportable segments:

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

(ii) Segment results:

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

The Operative segment comprises of the following:

a) **General Staffing and Allied Services** - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAPP.

b) **Other HR Services** - Comprises of Permanent Recruitment, Regulatory Compliance,Training Operations and Job Portal.

c) **Specialized Staffing Services** - Comprises of IT Staffing and Telecom Staffing Operations.

₹ in Lakhs

Particulars	General Staffing and Allied Services		Specialised Staffing Services		Other HR Services		Unallocated		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue:										
External revenue	401,153.80	337,490.51	30,916.30	18,293.44	12,689.85	6,627.59	-	-	444,759.95	362,411.54
Total segment revenue	**401,153.80**	**337,490.51**	**30,916.30**	**18,293.44**	**12,689.85**	**6,627.59**	**-**	**-**	**444,759.95**	**362,411.54**
Segment results	7,814.04	5,817.60	2,088.33	1,751.33	767.18	353.40	(505.98)	(422.29)	10,163.57	7,500.04
Finance cost	-	-	-	-	-	-	(522.44)	(246.67)	(522.44)	(246.67)
Profit before Tax	**7,814.04**	**5,817.60**	**2,088.33**	**1,751.33**	**767.18**	**353.40**	**(1,028.42)**	**(668.96)**	**9,641.13**	**7,253.37**
Tax (credit) / expense	-	-	-	-	-	-	(161.86)	(92.22)	(161.86)	(92.22)
Profit after Tax	**7,814.04**	**5,817.60**	**2,088.33**	**1,751.33**	**767.18**	**353.40**	**(866.56)**	**(576.74)**	**9,802.99**	**7,345.59**
Other information										
Capital expenditure	-	-	-	-	-	-	1,126.21	234.96	1,126.21	234.96
Depreciation and amortization	267.17	333.35	171.49	122.75	60.56	38.99	551.89	420.75	1,051.11	915.84
Non Cash Expenditure other than depreciation	-	-	-	-	-	-	681.77	784.30	681.77	784.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Note 36: Segment information (Contd..)

₹ in Lakhs

Other Information:	31 March 2019		31 March 2018	
	Assets	Liabilities	Assets	Liabilities
General staffing and allied services	39,110.83	37,376.86	28,787.38	27,244.76
Specialised staffing services	24,463.47	4,886.50	22,592.09	4,885.33
Other HR services	8,868.89	3,293.08	7,306.29	5,113.29
Unallocated	36,511.15	9,486.32	29,920.06	7,195.72
Total	**108,954.34**	**55,042.76**	**88,605.82**	**44,439.10**

Reconciliation to amounts reflected in the financial statements

Reconciliation of assets

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Segment assets	**72,443.19**	**58,685.76**
Investments	4,140.64	5,929.32
Loans	6,521.58	5,033.38
Deferred tax assets (net)	5,906.06	3,537.57
Income tax assets (net)	12,196.76	7,385.72
Cash and cash equivalents	909.70	175.08
Bank balances other than cash and cash equivalents	5,154.67	5,816.42
Others	1,681.74	2,042.57
Total assets	**108,954.34**	**88,605.82**

Reconciliation of liabilities

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Segment liabilities	**45,556.44**	**37,243.38**
Net employee defined benefit liabilities	131.00	101.85
Other non-current liabilities	-	7.62
Trade payables	1,006.66	688.99
Other financial liabilities	1,387.94	666.04
Other current liabilities	6,944.47	5,710.22
Liabilities directly associated with the assets classified as held for sale	16.25	21.00
Total liabilities	**55,042.76**	**44,439.10**

Revenue from external customers

₹ in Lakhs

Geographical Segment	31 March 2019	31 March 2018
India	4,44,759.95	3,62,411.54
Outside India	-	-
Total	**444,759.95**	**3,62,411.54**

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

Non-current assets:

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
India	32,144.55	23,967.90
Outside India	-	-
Total	**32,144.55**	**23,967.90**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 37: Related party disclosure

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Associates	School Guru Eduserve Private Limited ('School Guru') Cassius Technologies Private Limited ('CTPL') (subsidiary w.e.f. 31 July 2018)
b) Jointly Controlled	Avantis Regtech Private Limited ('ARPL') (w.e.f. 1 November 2018)
c) Key management personnel and their relatives	Mr. Manish Sabharwal - Executive chairman Mr. Ashok Reddy - Managing Director and Chief Executive officer Mr. Ravi Vishwanath - Chief Financial Officer Mr. C. Mruthunjaya Murthy- Company Secretary (resigned w.e.f. 31 May 2018) Mrs. Alaka Chanda- Company Secretary (appointed w.e.f. 31 October 2018) Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath Mr. Gopal Jain (resigned w.e.f. 8 August 2017) Mrs. Latika Pradhan - Independent Director Mr. Narayan Ramachandran - Independent Director Mr. Raghunathan V - Independent Director Mr. Zarir Batliwala - Independent Director (appointed w.e.f. 29 March 2019)
d) Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') India Life Capital Private Limited ('ILCPL') (till 31 May 2018)

(ii) Transactions with related parties

₹ in Lakhs

	31 March 2019	31 March 2018
Enterprises where key managerial personnel or their relatives exercise significant influence:		
Loans given to		
TLSU	8,075.00	861.33
Loans repaid by		
TLSU	6,908.54	-
Interest income from		
TLSU	410.90	176.71
Revenue from operations / other income		
TLSU	2,633.06	1,899.27
ILCPL	0.60	3.60
Expenses incurred by the Company on behalf of others - Cross charged		
TLSU	1.22	4.90
ILCPL	6.04	41.37
Consultancy/services charges paid		
TLSU	283.91	248.14
ILCPL	3.40	30.70
HANSINI	1.10	1.20
Consultancy/services charges paid		
Associates:		
CTPL	6.75	-
School Guru	2.02	-
Joint Venture:		
ARPL	1.01	-
Key management personnel and their relatives:		
Asha Vishwanath	6.00	6.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 37: Related party disclosure (Contd..)

Managerial remuneration (Refer Note below)

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Key managerial personnel and their relatives:		
Ashok Reddy	111.64	99.03
Manish Sabharwal	90.00	87.24
Ravi Vishwanath	121.21	127.19
C. Mruthunjaya Murthy	9.72	24.84
Alaka Chanda	8.55	-
	341.12	**338.30**

Note:

1. As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the group as a whole, the amount pertaining to key management personnel are not included.
2. The above includes ₹13.81 Lakhs (Previous Year ended 31 March 2018: ₹36.03 lakhs.) for share based compensation.

(iii) Outstanding balances as at year ended

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Loans and advances receivable		
Enterprises where key managerial personnel or their relatives exercise significant influence:		
TLSU	5,580.00	4,413.54
Trade/other receivables		
Enterprises where key managerial personnel or their relatives exercise significant influence:		
TLSU	2,064.12	1,332.59
Trade payables		
Enterprises where key managerial personnel or their relatives exercise significant influence:		
TLSU	22.90	-
Associates:		
School Guru	2.02	-
Investments in equity shares		
Associates:		
CTPL	-	617.05
School Guru	715.99	730.75
Joint Venture:		
ARPL	0.01	-
Investments in preference shares		
Associate:		
School Guru	1,350.00	1,350.00
Joint Venture:		
ARPL	473.87	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 38: Contingent liabilities

₹ in Lakhs

	31 March 2019	31 March 2018
(a) Service tax matters in dispute*	463.03	394.93
(b) Income tax matters in dispute	105.23	77.86
(c) Disputed bonus liability**	3,349.33	3,349.33
(d) ESIC matter under dispute	-	5.04
(e) Other disputed matters	34.16	34.16
(f) Bills discounted with banks	1,264.01	542.62
(g) Claims not acknowledged as debts (under dispute)***	988.37	988.37

(h) On 28 February 2019, the Hon'ble Supreme Court (SC) of India delivered a judgement clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. There are numerous interpretative issues relating to the SC judgement particularly for the potential liability, if any, for prior periods. On 1 April 2019, the Company through "Indian Staffing Federation" has filed representation to Ministry of Labour and Employment, Government of India, seeking Ministry's intervention and clarification on the matter. As a matter of abundant caution, the Company has made a provision on a prospective basis from the date of the SC order.

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

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

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

Note 39: Commitments

(a) Capital commitments

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

₹ in Lakhs

	31 March 2019	31 March 2018
Property, plant and equipment	35.29	89.82

(b) Other commitments

(i) Performance bank guarantees to customers as at 31 March 2019 ₹1,918.88 lakhs (31 March 2018 : ₹2,082.43 lakhs), are secured against current assets of the Company.

(c) Non-cancellable operating leases

The Group has entered into various cancellable and non-cancellable operating lease agreements for office premises at various locations. The lease period ranges between 1 year to 9 years. The lease rental charged during the year and obligation on the long term non-cancellable operating lease as per the lease agreement are as follows :

₹ in Lakhs

	31 March 2019	31 March 2018
Lease rentals under cancellable and non-cancellable leases	1,939.24	1,796.87

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

₹ in Lakhs

	31 March 2019	31 March 2018
Within one year	594.83	361.03
Later than one year but not later than five years	457.93	358.24
Later than five years	-	-

(d) Operating lease commitments

The Group has given one of its offices in Kolkata on operating lease. The lease agreement includes a upward revision to lease rental on annual basis based on prevalling market conditions. The current lease agreement will expire on 9 September 2021.

₹ in Lakhs

	31 March 2019	31 March 2018
Within one year	39.00	6.04
Later than one year but not later than five years	17.31	-
Later than five years	-	-

Note 40: Deduction under section 80JJAA

As per the amendment in the Finance Act, 2016, deduction under Section 80JJAA of the Income tax Act, 1961, was extended across to all the sectors. As per the provisions of Section 80JJAA, an assessee will be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to fulfilment of the other conditions mentioned in Section 80JJAA. The Group has started availing such deduction from financial year 2016-17 onwards.

Note 41: Corporate Social Responsibility expenditure

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

Gross amount required to be spent by the Group towards corporate social responsibility expense (CSR) during the year is ₹104.55 lakhs (31 March 2018 ₹80.15 lakhs). The Group has not spent any amount towards CSR expenditure.

Note 42: Assets held for sale

During the year ended 31 March 2015, the below mentioned asset had been classified as held for sale, considering intent of the Group to dispose off the same. This classification continues as the management plans to sell the asset and discussions are at advance stage.

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Building	221.73	221.73
Total Assets classified as held for sale	**221.73**	**221.73**
Security deposit of building held for sale	16.25	21.00
Liabilities directly associated with assets classified as held for sale	**16.25**	**21.00**
Net assets classified as held for sale	**205.48**	**200.73**

Note 43: Business Acquisitions

a) On 1 November 2017, the Group acquired 100% of the voting shares of Evolve. Evolve is engaged in the business of staffing including outsourcing manpower, managed services and placement services. The acquisition will strengthen TeamLease's specialized solution services.

b) During the year ended 31 March 2019, the Company acquired additional equity stake of 21% in Cassius Technologies Private Limited ("CTPL") as per the definitive agreements at an agreed consideration of ₹378.00 lakhs, thereby increasing the total stake to 51% in CTPL. Further, the Company has option to acquire balance 49% equity stake at an agreed price. Accordingly, CTPL has been accounted for as a 100% subsidiary with effect from 31 July 2018. CTPL is engaged in rendering end to end online services for software product engineering.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

₹ in Lakhs

Particulars	Evolve	Cassius
Property, plant and equipment, including intangibles	342.56	86.97
Intangible assets under development	-	129.25
Financial assets	723.70	43.85
Trade receivables	1,375.42	96.13
Cash and cash equivalents	26.69	118.13
Other current assets	2,082.90	0.60
Total tangible assets	**4,551.27**	**474.93**
Customer relationships	201.93	262.30
Brand	93.95	88.54
Non-compete	228.62	50.20
Databases	-	37.23
Total intangible assets	**524.50**	**438.27**
Total fair value of assets acquired	**5,075.77**	**913.20**
Liabilities assumed		
Trade payables	(22.47)	(38.74)
Borrowings	(1,209.05)	-
Other current liabilities	(327.40)	(67.23)
Deferred tax liability	(100.80)	(133.53)
Net employee defined benefit liabilities	(1,727.39)	(33.91)
Total Liabilities assumed	**(3,387.11)**	**(273.41)**
Total Net assets, other than Goodwill	**1,688.66**	**639.79**
Purchase consideration	4,590.15	1,932.59
Goodwill arising on acquisition	**2,901.49**	**1,292.80**

Note:

The goodwill comprises the value of expected synergies arising from the acquisition which is not separately recognised. Transaction costs of ₹ Nil (31 March 2018: ₹18.14 lakhs) have been expensed off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 44: Group Information

₹ in Lakhs

Sl. No.	Name of the entity	Net Assets, i.e, total assets minus total liabilities*				Share in profit and loss*				Share in other comprehensive income*				Share in total comprehensive income*			
		31 March 2019		31 March 2018		31 March 2019		31 March 2018		31 March 2019		31 March 2018		31 March 2019		31 March 2018	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	Amount
Parent																	
1	TeamLease Services Limited	93.23%	52,893.00	91.40%	43,266.11	106.36%	9,701.95	111.27%	6,828.86	27.34%	6.45	75.24%	18.90	106.16%	9,708.40	111.12%	6,847.76
Subsidiaries																	
2	TeamLease Digital Private Limited	1.96%	1,112.90	4.45%	2,104.39	-11.07%	(1,010.14)	-17.76%	(1,090.06)	79.06%	18.65	64.62%	16.23	-10.84%	(991.49)	-17.43%	(1,073.83)
3	IIJT Education Private Limited	0.38%	215.45	0.43%	203.15	0.13%	12.31	0.57%	35.02	-	-	-	-	0.13%	12.31	0.57%	35.02
4	TeamLease Education Foundation	-0.44%	(248.49)	-0.47%	(222.06)	-0.29%	(26.43)	-0.62%	(38.22)	-	-	-	-	-0.29%	(26.43)	-0.62%	(38.22)
5	Keystone Business Solutions Private Limited	1.13%	638.51	0.75%	352.82	3.10%	282.99	2.35%	144.11	11.40%	2.69	21.26%	5.34	3.12%	285.68	2.43%	149.45
6	Evolve Technologies & Services Private Limited	2.99%	1,695.47	3.39%	1,605.40	0.99%	89.93	4.63%	283.86	0.59%	0.14	-63.78%	(16.02)	0.98%	90.07	4.35%	267.84
7	Cassius Technologies Private Limited**	0.81%	457.81	-	-	1.18%	107.76	-	-	-19.50%	(4.60)	-	-	1.13%	103.16	-	-
Associates																	
8	Cassius Technologies Private Limited**	-	-	0.20%	96.29	0.11%	10.37	0.05%	3.57	-1.09%	(0.26)	-4.59%	(1.15)	0.11%	10.11	0.04%	2.42
9	School Guru Eduserve Private Limited	-0.15%	(83.52)	-0.15%	(70.93)	-0.16%	(15.28)	-0.49%	(29.97)	2.20%	0.52	7.25%	1.82	-0.15%	(14.76)	-0.46%	(28.15)
Joint Venture																	
10	Avantis Regtech Private Limited	0.09%	52.08	-	-	-0.35%	(31.79)	-	-	-	-	-	-	-0.35%	(31.79)	-	-
Sub Total		**100.00%**	**56,733.21**	100.00%	47,335.17	**100.00%**	**9,121.67**	100.00%	6,137.17	**100.00%**	**23.59**	100.00%	25.12	**100.00%**	**9,145.26**	100.00%	6,162.29
Consolidation adjustments/eliminations			(2,821.63)		(3,168.45)		681.32		1,208.42		(0.25)		(2.06)		681.07		1,206.36
Total			**53,911.58**		**44,166.72**		**9,802.99**		**7,345.59**		**23.34**		**23.06**		**9,826.33**		**7,368.65**

*The figures have been considered from the respective standalone financial statements and the consolidated net figure has been arrived at after consolidation adjustments/eliminations.

**Cassius is accounted as an associate till 31 July 2018 and as a 100% subsidiary from 1 August 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 45: Effect of adoption of IND AS 115

Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces the requirements of existing revenue recognition standard Ind AS 18. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018.

Pursuant to the applicability of Ind AS 115, Group has evaluated the impact for various revenue streams. In respect of revenues recognised till 31 March 2018, where performance obligation criteria was not met, the same has been reversed and the impact on initial application is adjusted to the opening balance of retained earnings. Therefore, the comparative information is not restated.

The effect of adopting Ind AS 115 as at 1 April 2018 is detailed below:

Assets	**Increase/(decrease)**
Trade receivables	(153.81)
Deferred tax assets (net)	53.22
Total Assets	**(100.59)**
Total adjustments to Equity	
-Retained earnings	**(100.59)**
Statement of profit and loss for the year ended 31 March 2019	**Increase/(decrease)**
Other operating revenue	(105.84)
Profit before tax	(105.84)
Tax expense (net of MAT credit)	-
Profit for the year	**(105.84)**
Impact on Earnings per share	
Basic and diluted - in Indian Rupees	(0.62)
Balance sheet as at 31 March 2019	**Increase/(decrease)**
Liabilities	
Contract liabilities	105.84
Current / deferred tax assets (net)	-
Performance obligation	

Manpower services

Performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 0-30 days.

Recruitment and other services

For permanent and temporary recruitment business, performance obligation is satisfied once the replacement period is over and the Company has no further obligation to the customers. For skills and development, regulatory services and payroll, performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 30-60 days.

Note 46: Previous year

Previous year's figures have been reclassified, wherever necessary, to conform to the current year's classification.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 056102

Place: Bangalore
Date: 28 May 2019

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

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: 28 May 2019

FROM AOC1

(Pursuant to first provison to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	Details					
1	Name of the subsidiary	IIJT Education Private Limited	Teamlease Education Foundation	TeamLease Digital Private Limited (Formerly TeamLease Staffing Servies Private Limited)	Keystone Business Solutions Private Limited	Evolve Technologies and Services Private Limited	Cassius Technologies Private Limited
2	Date of Acquisition/Incorporation	04.04.2010	27.06.2011	04.07.2016	01.02.2017	01.11.2017	31.07.2018
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹	₹	₹	₹
5	Share capital	800.00	1.00	473.50	4.26	351.83	1.11
6	Reserves & surplus (includes other comprehensive income and securities premium)	(584.55)	(249.49)	639.40	634.25	1,343.65	456.70
7	Total assets	294.41	5,998.02	19,168.99	832.80	4,760.74	588.44
8	Total Liabilities (excluding share capital and reserves and surplus)	78.96	6,246.51	18,056.09	194.29	3,065.26	130.63
9	Investments (excludes investment in subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL
10	Turnover (include inter-company transactions)	NIL	697.23	11,742.09	1,717.91	17,456.30	609.14
11	Profit/(loss) before taxation	12.31	(26.43)	(1,131.01)	382.06	78.84	137.06
12	Provision for taxation	NIL	NIL	(120.87)	99.07	(11.09)	29.30
13	Profit/(Loss) after taxation	12.31	(26.43)	(1,010.14)	282.99	89.93	107.76
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – None.
2. Names of subsidiaries which have been liquidated or sold during the year:Nil.

Part "B": Associates and Joint Ventures

Sl. No.	Name of associates/joint venture	Cassius Technologies Private Limited (Refer note 2 below)	School Guru Eduserve Private Limited (Associate)	Avantis Regtech Private Limited (Joint Venture)
1	Latest audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019
2	Date on which the associate was associated or acquired	01.06.2017	01.12.2017	01.11.2018
3	Shares of associate or joint venture held by the company as on the year end			
	Number		184,068	219,299
	Amount of Investment in associate/ joint venture		758.90	500.00
	Extent of Holding%		22.19%	33.33%
4	Description of how there is significant influence		More than 20% equity shareholding	More than 20% shareholding on a fully diluted basis
5	Reason why the associate or joint venture is not consolidated		NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet		(83.52)	52.08
7	Profit/Loss for the year/period			
	I.Considered in Consolidation	10.11	(14.76)	(31.79)
	II.Not Considered in Consolidation	23.59	(51.75)	(63.59)

1. Names of associates or joint ventures which are yet to commence operations – NA.

2. Names of associates or joint ventures which have been liquidated or sold during the year – NA. However, Cassius Technologies Private Limited became a subsidiary w.e.f July 31, 2018. Refer note 6(2) to the standalone financial statements.

Ashok Reddy
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

N. Ravi Vishwanath
Chief Financial Officer

Alaka Chanda
Company Secretary
M No : A29098

Place: Bangalore
Date: May 28, 2019

TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395
6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India,
Tel: 91 80 6824 3000 Fax: 91 80 6824 3001
corporateaffairs@teamlease.com | www.teamleasegroup.com

Nineteenth (19th) Annual General Meeting – Friday, August 23, 2019

June 26, 2019

Dear Shareholder(s),

You are cordially invited to attend the **Nineteenth (19th)** Annual General Meeting (AGM) of the Shareholders of TeamLease Services Limited ("the Company") to be held on Friday, August 23, 2019 at 03.00 PM IST at Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka, India.

The Notice of the AGM, containing the businesses to be transacted is enclosed herewith. In terms of Section 108 of the Companies Act, 2013, read with the related Rules and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Shareholders the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for E-Voting are enclosed herewith.

Very truly yours,

Alaka Chanda
Company Secretary and Compliance Officer
Membership No:A29098
TeamLease Services Limited

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,
Tel: 91 80 6824 3000
Fax: 91 80 6824 3001

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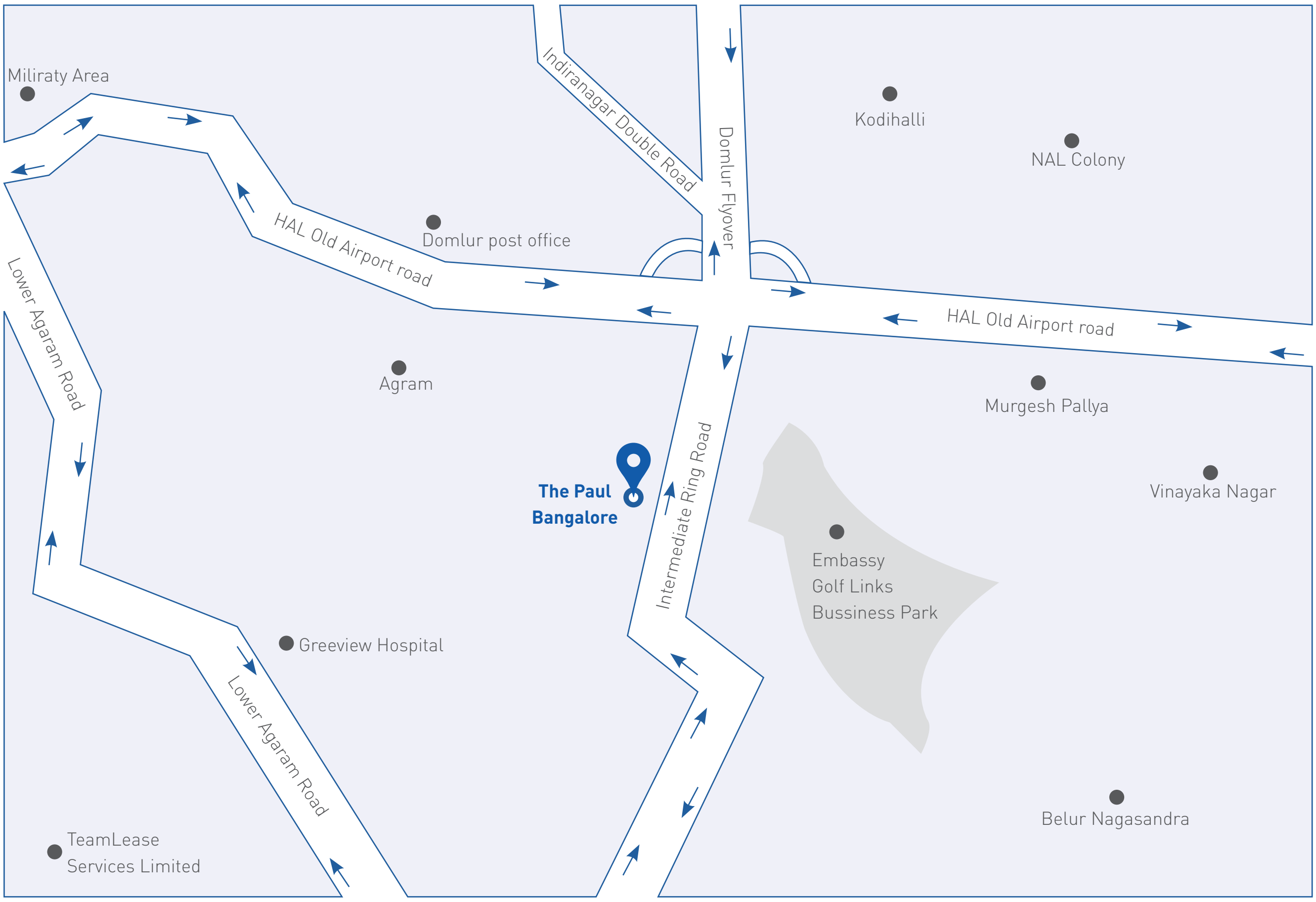
Enclosures:
1. Route Map to the venue of AGM
2. Notice to the Nineteenth (19th) Annual General Meeting
3. Instructions for E-Voting
4. Proxy Form
5. Attendance Slip

Route Map to the venue of the AGM

Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka India



Notice of the Nineteenth (19th) Annual General Meeting

Notice is hereby given that the Nineteenth (19th) Annual General Meeting (AGM) of the shareholders of TeamLease Services Limited (CIN L74140KA2000PLC118395) ("Company") will be held on Friday, August 23, 2019 at 03.00 pm IST at, Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka, India, to transact the following businesses:

SL. NO(S)	PARTICULAR(S)
A. ORDINARY BUSINESSES:	
Item No. 1	To receive, consider and adopt Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019
Item No. 2	To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019
Item No. 3	To receive, consider and adopt the Auditor's Report and the Report of the Board of Directors for the Financial Year ended March 31, 2019
Item No. 4	To appoint a Director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601), who retires by rotation and being eligible, offers himself for re-appointment
B. SPECIAL BUSINESSES:	
Item No. 5	To appoint Mr. Zarir Batliwala (DIN : 01028343) as an Independent Director of the Company
Item No. 6	To adopt TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 and to create fresh ESAR pool of 1.5% of paid-up share capital of the Company
Item No. 7	To approve grant of ESARs to the Employees/Directors of the Subsidiary Company(ies)/ of the Company under - ESAR Plan 2019
Item No. 8	To alter the Articles of Association of the Company with respect to removal of common seal clause

A. ORDINARY BUSINESSES:

ITEM NO. 1

To receive, consider and adopt Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019

ITEM NO. 2

To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019

ITEM NO. 3

To receive, consider and adopt the Auditor's Report and the Report of the Board of Directors for the Financial Year ended March 31, 2019

ITEM NO. 4

To appoint a Director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601), who retires by rotation and being eligible, offers himself for re-appointment

Statutory Requirement:

Pursuant to Clause 58 of the Articles of Association of the Company and pursuant to Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, executive directors and non-executive directors other than independent directors are liable to retire by rotation and can seek reappointment.

Background:

Mr. Manish Mahendra Sabharwal (DIN: 00969601), was appointed as Chairman of the Company effective September 03, 2015 for a period of five years which was approved by the shareholders at the Annual General Meeting held on September 30, 2015. To the extent of his retirement by rotation, Mr. Manish Mahendra Sabharwal is required to be re-appointed as Chairman of the Company.

Proposal:

Therefore, shareholders are requested to consider and, if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Manish Mahendra Sabharwal as Chairman to the extent that he is required to retire by rotation."

B. SPECIAL BUSINESSES:

ITEM NO. 5

To appoint Mr. Zarir Batliwala (DIN : 01028343) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the shareholders be and is hereby accorded to appoint Mr. Zarir Batliwala (DIN: 01028343), as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective March 29, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, and pursuant to Regulation 17 of the SEBI Listing obligations and Disclosure requirements (LODR) Regulations 2015, Mr. Zarir Batliwala (DIN: 01028343), who meets the criteria for independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of directors, and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from March 29, 2019 to March 28, 2024."

ITEM NO. 6

To adopt TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 and to create fresh ESAR pool of 1.5% of paid-up share capital of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder, (including any modification or re-enactment thereof for the time being in force), based on the recommendations of the Nomination and Remuneration Committee (Committee) and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors to introduce and implement the **"TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019" ("ESAR 2019"/"Plan")** to create, offer, issue and grant from time to time, exercisable into not more than 1.5% of the paid up capital of the Company as on the date of this resolution aggregating to 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) of Employee Stock Appreciation Rights ("ESARs"), to or for the benefit of such person(s), whether working in India or out of India, who are in permanent employment of the Company and its Subsidiary Company(ies) whether working in India or out of India including Director(s) whether whole time or otherwise, of the Company and its Subsidiary Company(ies) (hereinafter collectively referred to as the "Eligible Employees") (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided solely by the Board under the Plan, exercisable into not more than 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) fully paid-up Equity Shares in the Company in aggregate of face value of ₹ 10/- each unless otherwise intended to be settled by way of cash at the discretion of Committee, on such terms and conditions, as may be determined by in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations, the salient features of which are presented below:

I	Total number of Equity Shares underlying ESARs	2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) of ESARs exercisable into 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) Equity Shares of the Company of ₹ 10/- each unless otherwise intended to be settled by way of cash at the discretion of the Nomination and Remuneration Committee.

II	Eligible Classes of employees entitled to participate in the ESAR 2019	Permanent employees of Company and its Subsidiaries, whether working in India or out of India, including Directors whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as determined by the Board.
III	Requirements of vesting and period of vesting	Vesting of ESARs would be subject to continued employment with the Company and its Subsidiaries and certain performance parameters as may be specified by the Board. The ESARs would vest not earlier than 1 (one) year and not later than 4 (four) years from the date of grant.
IV	ESAR price or pricing formula	The ESAR Price per ESAR shall be equal to the Market Price per Share as on grant date of ESARs. The grant date will be Board meeting date. The "market price" means the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the company are listed.
V	Lock-in Period for Equity Shares	The Equity Shares arising out of exercise of vested ESARs will not be subject to any lock - in period.
VI	Exercise Period	ESARs can be exercised anytime within 5 years from date of vesting of the ESARs during the tenure of employment with the Company, and upon separation shall be as per Board decision or the ESAR 2019.
VII	Appraisal process for determining the eligibility of employees to the ESAR 2019	As decided by the Board from time to time.
VIII	Maximum number of ESARs to be issued per employee	The Maximum number of ESARs to be issued per employee shall not exceed 100,000 in number of ESARs.
IX	Method of ESARs valuation	Fair Value Method

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company for this purpose be and is hereby authorised to issue and allot Equity shares or settle by way of cash upon exercise of ESARs from time to time in accordance with the ESAR 2019.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the shareholders, the ceiling as aforesaid of 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the number of options that may be granted to any employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the ESAR 2019 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESAR Grantees under the plans shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESAR 2019 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the ESAR 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the shareholders and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESAR 2019 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESAR 2019.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel (s) of the Company be and are hereby authorized to take necessary steps for listing of the securities allotted under the ESAR 2019 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel (s) of the Company, be and are hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESAR 2019 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/ Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

ITEM NO. 7

To approve grant of ESARs to the Employees/Directors of the Subsidiary Company(ies)/ of the Company under - ESAR Plan 2019

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder, (including any modification or re-enactment thereof for the time being in force), based on the recommendations of the Nomination and Remuneration Committee (Committee) and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, the consent of the shareholders be and is hereby accorded to introduce and implement the "TeamLease Services Limited - Employee Stock Appreciation Rights Plan 2019" ("ESAR 2019"/"Plan") to create, offer, issue and grant from time to time, 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty Only) of Employee Stock Appreciation Rights ("ESARs"), to or to the benefit of the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any existing and future Subsidiary Company(ies) of the Company whether in or outside India (hereinafter referred to as an "Eligible Employees"), as may be decided solely by the Board, exercisable into not more than 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty Only) fully paid-up Equity Shares in the Company in aggregate of face value of ₹ 10/- each unless otherwise intended to be settled by way of cash at the discretion of the Committee and Board on such terms and conditions, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company for this purpose be and is hereby authorised to issue and allot Equity shares or settle by way of cash upon exercise of ESARs from time to time in accordance with the ESAR 2019.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT the number of options that may be granted to any employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the ESAR 2019 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESAR Grantees under the plans shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel (s) of the Company be and are hereby authorized to formulate, evolve, decide upon and bring into effect the ESAR 2019 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the ESAR 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the shareholders and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESAR 2019 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESAR 2019.

RESOLVED FURTHER THAT the Board of Directors and and Key Managerial Personnel (s) of the Company be and are hereby authorized to take necessary steps for listing of the securities allotted under the ESAR 2019 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel (s) of the Company, be and are hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESAR 2019 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/ Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

ITEM NO. 8

To alter the Articles of Association of the Company with respect to removal of common seal clause

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 14 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 read with the relevant rules, consent of the shareholders of the Company be and is hereby accorded to amend the Articles of Association of the Company as under:

Article 2A(ss) and Article 85 of the Articles of Association of the Company as reproduced below be and hereby deleted and subsequent articles be renumbered accordingly.

Article 2A(ss) is reproduced as under:

2A(ss) "Seal" shall mean the common seal(s) for the time being of the Company.

Article 85 is reproduced as under:

85. SEAL

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(b) The Company shall also be at liberty to have an official Seal(s) in accordance with applicable provisions of the Act, subsisting provisions of Companies Act, 1956 or such applicable Laws, for use in any territory, district or place outside India.

(c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

RESOLVED FURTHER THAT the following articles be suitably amended to remove the provisions relating to the use of common seal:

Article 15(d) be replaced by the following article:

A certificate, under the ~~common seal of the Company~~, <u>signed by two directors duly authorized by the Board and the Company Secretary</u>, specifying the Equity Shares held by any Person shall be prima facie evidence of the title of the

Person to such Equity Shares. Where the Equity Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

Article 16(d)(i) be replaced by the following article:

Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favor it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued ~~under the Seal of the Company, if any, which shall be affixed~~ in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two per certificate.

Article 28 (d) be replaced by the following article:

Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favor such mortgage or security is executed, or if permitted by the Act, may by instrument, ~~under seal~~ signed by one director and the Company Secretary, authorize the Person in whose favor such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

"RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel (s) of the Company, be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution."

By Order of the Board of Directors
Teamlease Services Limited

Alaka Chanda
Company Secretary and Compliance Officer
Membership No: A29098

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,
Tel: 91 80 6824 3000
Fax: 91 80 6824 3001

corporateaffairs@teamlease.com
www.teamleasegroup.com

Date: June 26, 2019
Place: Bangalore

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Businesses at the AGM, is annexed hereto.

2. A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a shareholder of the Company. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A shareholder holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form for the convenience of the shareholders is annexed to the Notice.

3. Corporate shareholders intending to send their authorised representative(s) to attend the AGM are requested to send a certified true copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the AGM.

4. A route map showing the directions to reach the venue of the Nineteenth (19th) AGM is annexed hereto.

5. Shareholders/proxies should bring attendance slips along with their copies of Annual Report to attend the AGM. Additional copies of the Annual Report shall not be supplied at the AGM. The attendance slip is annexed to the Notice hereto. Shareholders/proxies are kindly requested to complete the enclosed attendance slip, affix their signature at the place provided thereon and hand it over at the entrance of the AGM venue. The Shareholder is mandated to furnish the printed Attendance Slip along with a valid identity proof such as the PAN card or passport, or AADHAR card or driving license to enter the AGM venue.

6. In case of Joint holders attending the AGM, only such Joint holder who is named first in the order of names will be entitled to vote.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the shareholders at the AGM.

8. Proxies shall be made available for inspection by a shareholder, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM provided not less than three days notice in writing of the intention to inspect is given to the Company.

9. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the AGM.

10. Notice is sent to all the shareholders (electronic or physical copy), whose names appear in the Register of Shareholders as on Friday, July 19, 2019. The Notice of the AGM is also posted on the website of the Company i.e., https://www.teamleasegroup.com/annual-reports

11. Shareholders holding shares in electronic form are advised to inform the particulars of their bank account, change of address and email ID to their respective depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of address and email ID to the Company or Registrar and share Transfer Agents, Karvy Fintech Private Limited (Formerly known as (Karvy Computershare Private Limited, Unit TeamLease Services Limited, Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032. (KARVY)

12. Shareholders holding shares in electronic (demat) form or in physical mode are requested to quote their DP ID & Client ID or Folio details respectively in all correspondences, to KARVY. Shareholders holding shares in physical form are requested to approach their DP for dematerialization of their shares as per SEBI notification dated June 08, 2018 which mandates the transfer of securities to be in dematerialised form only, with effect from 5th December, 2018.

13. In line with the measures of "Green Initiatives", the Companies Act 2013 provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, shareholders who have not registered their mail addresses so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s). Shareholders holding shares in physical form are required to submit their PAN details to KARVY.

15. Shareholders holding shares in single name in physical mode are advised to make nomination in respect of their shareholding in the Company. Shareholders holding shares in electronic mode may contact their respective depository participants for availing the nomination facility.

16. Shareholders who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to KARVY, for consolidation into a single folio.

17. Non-Resident Indian shareholders are requested to inform KARVY / respective depository participants, immediately of: a) Change in their residential status on return to India for permanent settlement. b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

18. Copies of the Annual Report 2019 and the Notice of the Nineteenth (19th) AGM along with the attendance slip and proxy form are being sent by electronic mode only to shareholders whose email ID are registered with the Company/ depository participant(s) for communication purposes unless such shareholders have requested for a hard copy of the same. For shareholders who have not registered their email ID, physical copies of the Annual Report 2019 are being sent by the permitted mode. Shareholders may note

that Nineteenth (19th) AGM Notice, Annual Report 2019, attendance slip, proxy form and E-Voting instructions are also available on the Company's website i.e., https://www.teamleasegroup.com/annual-reports

19. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its shareholders the facility to exercise their right to vote on resolutions proposed to be considered at the Nineteenth (19th) AGM by electronic means and the business may be transacted through E-Voting services. The facility of casting the votes by the shareholders using an electronic voting system from a place other than venue of the AGM ("remote E-Voting") will be provided by KARVY.

20. The facility of E-Voting (Insta Poll) shall be made available at the venue of the AGM and the shareholders attending the AGM who have not cast their vote by remote E-Voting shall be able to exercise their right at the AGM through E-Voting (Insta Poll). The instructions and other information relating to E-Voting are attached to the Notice hereto.

21. The voting through electronic means is scheduled as below:

    The Company has fixed Friday, August 16, 2019 as Cut-off date for determining the shareholders eligible for voting, through electronic means as well as at AGM venue.

Commencement of remote E-Voting	Tuesday, August 20, 2019 (9:0.0 a.m. IST)
End of remote E-Voting	Thursday August 22, 2019 (5:00 p.m. IST)

22. The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, for Item Nos. 4 & 5 of the Notice is mentioned in Annexure 1 and 2 respectively of this AGM Notice.

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,
Tel: 91 80 6824 3000
Fax: 91 80 6824 3001

corporateaffairs@teamlease.com
www.teamleasegroup.com

Date: June 26, 2019
Place: Bangalore

By Order of the Board of Directors
Teamlease Services Limited

Alaka Chanda
Company Secretary and Compliance Officer
Membership No: A29098

Annuexure 1

Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26 (4), 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India

Mr. Manish Mahendra Sabharwal (DIN: 00969601)

Mr. Manish Mahendra Sabharwal (DIN: 00969601) is the co-founder and currently the Executive Chairman of our Company.

The Chairman acts as the leader of the Board and presides over the meetings of the Board and the shareholders. The primary responsibility is to ensure that collectively the Board is effective in its task of setting and implementing the Company's strategy. He oversees the conduct of the Board and ensures that it adheres to the statutory requirements and good governance practices in letter and spirit.

Brief Profile of Mr. Manish Mahendra Sabharwal:

Manish Mahendra Sabharwal is the Chairman of TeamLease (The Company). Prior to co-founding the Company, he had co-founded India Life, a payroll and pension services company in 1996 that was acquired by Hewitt Associates in 2002. Consequently, he was Chief Executive Officer of Hewitt Outsourcing (Asia) based in Singapore. Mr. Sabharwal also serves on various State and Central Government committees on Employment, Employability and Ease of Doing Business and is a columnist for Indian Express. He is an alumnus of The Wharton School of the University of Pennsylvania, Shri Ram College of Commerce, Delhi and Mayo College, Ajmer.

Disclosure of relationship between directors inter se:

Nil

Shareholding in the Company

Nil

Listed companies in which Mr. Manish Mahendra Sabharwal holds directorship and committee chairmanship/membership:

Listed Company	Director	Committee	Chairman
TeamLease Services Ltd	Yes-Executive Chairman	Stakeholders Relationship Committee, Corporate Social Responsibility Committee Risk Management Committee	-
Pennar Industries Ltd	Yes-Independent Director	-	-
Pennar Engineered Building Systems Ltd	Yes-Independent Director	Audit Committee, Nomination and Remuneration Committee	-

Annexure 2

Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26 (4), 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India

Mr. Zarir Batliwala

Mr. Zarir Batliwala (DIN 01028343) is currently the Independent Director (Additional) of our Company. He is also a member of Nomination and Remuneration Committee of the Board of Directors of the Company.

The profile and specific areas of expertise of Zarir Batliwala are as below:

Mr. Zarir Batliwala is an Independent People Practices consultant, focusing on organizational structure, performance management systems and workplace culture. He is also a partner in The HRM Practitioners, LLP., an HR consulting firm working in the area of corporate code of conduct, business ethics and employee grievances.

Mr. Zarir Batliwala brings with him 45 + years of rich corporate experience at senior leadership level with functional experience in legal and human resource management, with a strong exposure to business and leadership and organizational development.

He is a Graduate in Law and a senior Fellow Member of the Institute of Company Secretaries of India.

Mr. Zarir Batliwala started his career in 1970 with the Mahindra & Mahindra Group of Companies and served in various high profile positions in human resources and the secretarial function. In 1984, he joined Britannia Industries Limited and was associated with the organization till 1994 in various roles as Company Secretary and Vice President - Legal and also spearheaded the human resources function. He then became an integral part of Digital Equipment (India) Ltd, a listed company in 1994 as Vice President – Legal and Company Secretary. In July 1998, post the merger of Digital with Compaq, he was appointed as Director, Human Resources and Legal for Compaq India. In 2002, after the merger of Compaq Computer with Hewlett-Packard (HP), he took over as the Director of Human Resources for HP India wherein he was responsible for the delivery of HR programs and services to the 30,000 HP employees across India sales Company and global delivery businesses and led a team of 150 HR professionals. Mr. Zarir Batliwala retired as Director, Human Resources for HP India on November 2009.

Between 2010 and 2014, he acted as a Consultant to TeamLease Services Limited; India's leading staffing Company as Head of the Human Resources function.

Disclosure of relationship between directors inter se:

Nil

Shareholding in the Company

Nil

Listed companies in which **Mr. Zarir Batliwala** holds directorship and committee chairmanship/membership:

Listed Company	Director	Committee	Chairman
TeamLease Services Ltd	Yes-Independent Director	Nomination and Remuneration Committee	-

Explanatory Statement (s) as required under the provisions of Section 102 of the Companies Act, 2013

ITEM NO.5

To appoint Mr. Zarir Batliwala as an Independent Director of the Company

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Zarir Batliwala as an Additional (Non-Executive) Independent Director of the Company effective March 29, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles of Association of the Company, Mr. Zarir Batliwala (DIN 01028343) will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Zarir Batliwala for the office of Independent Director. The Company has received from Zarir Batliwala (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mr. Zarir Batliwala as an Independent Director of the Company for a period of five years commencing from March 29, 2019 to March 28, 2024.

Mr. Zarir Batliwala, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mr. Zarir Batliwala is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Zarir Batliwala as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the shareholders at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Zarir Batliwala, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the shareholders.

All the material documents pertaining to the above resolution shall be available for inspection by the shareholders at the Registered Office of the Company.

ITEM NO. 6

To adopt TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 and creation of fresh ESAR pool of 1.5% of paid-up share capital of the Company

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company, of its Subsidiary Company (ies) ("hereinafter collectively referred as Company"), for their continuous hard work, dedication and support, which has led the Company on the growth path.

The Company intends to implement new scheme i.e. TeamLease Services Limited Employee Stock Appreciation Rights Plan 2019" ("ESAR 2019"/"Plan"/"Scheme") with a view to retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the achievement of organisational goals and to the overall corporate growth and profitability.

The Company is in the process of creation of fresh ESAR pool of 1.5% of paid-up share capital of the Company to offer and grant options from time to time as specified in the below mentioned manner. In this regard, the Company is required to obtain the approval of the shareholders vide a special resolution. Information and disclosures required pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Regulation 6(2) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are given below:

I	Total number of Equity Shares underlying ESARs	2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) of ESARs exercisable into 2,56,450 (Two Lakh Fifty Six Thousand Four Hundred and Fifty) Equity Shares of the Company of ₹ 10/- each unless otherwise intended to be settled by way of cash at the discretion of the Committee. The Options to be granted to the Eligible Employees under ESAR 2019, in one or more tranches, shall not result in issue of equity shares in not more than 1.5% of the paid up capital of the Company as on the date of this resolution aggregating to 2,56,450 (Two Lakhs Fifty Six Thousand Four Hundred and Fifty) Options. This ceiling will be adjusted for any future right issue, bonus issue of shares or stock splits or consolidation of shares and also may further be adjusted at the discretion of the Board/Committee for any corporate action(s).

II	Brief description of the Scheme/Plan	TeamLease Services Limited - ESAR Plan is to provide the employees with an additional incentive in the form of Options to receive the Equity Shares of the Company at a future date. The plan is aimed to reward its employees for their continuous hard work, dedication and support. The main objective of the ESAR Plan is to recognize employees who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract best talent available in the market.
III	Eligible Classes of employees entitled to participate in the ESAR 2019	Permanent employees of Company and its Subsidiaries, whether working in India or out of India, including Directors whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as determined by the Board.
IV	Requirements of vesting and period of vesting	Vesting of ESARs would be subject to continued employment with the Company and its Subsidiaries and certain performance parameters as may be specified by the Board. The ESARs would vest not earlier than 1 (one) year and not later than 4 (four) years from the date of grant.
V	ESAR price or pricing formula	The ESAR Price per ESAR shall be equal to the Market Price per Share as on grant date of ESARs. The grant date will be Board meeting date. The "market price" means the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the company are listed.
VI	Lock-in Period for Equity Shares	The Equity Shares arising out of exercise of vested ESARs will not be subject to any lock - in period.
VII	Exercise Period	ESARs can be exercised anytime within 5 years from date of vesting of the ESARs during the tenure of employment with the Company, upon separation shall be as per Board decision or the ESAR Plan 2019.
VIII	Appraisal process for determining the eligibility of employees to the ESAR 2019	As decided by the Board from time to time.
IX	Maximum number of ESARs to be issued per employee	The Maximum number of ESARs to be issued per employee shall not exceed 100,000 in number of ESARs.
X	Method of ESARs valuation	Fair Value Method
XI	The conditions under which the option vested in employees may lapse e.g. in case of termination of employment for misconduct:	A condition in any Option granted that the Eligible Employee shall agree to remain in the employment of and to render services to, the Company, or the Subsidiary company, for a period of time (specified in the Agreement) following the Grant. The Grant of an Option shall, however, not impose upon the Company any obligation to employ the Eligible Employee for any period of time
XII	A statement to the effect that the Company shall comply with the applicable accounting standards	The Company shall comply with all the applicable disclosure and Accounting Policies in respect of options granted as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations 2014 and under other Applicable Laws and follow the accounting policies prescribed as per SEBI Regulations and Guidelines and the Guidance Note issued by the Institute of Chartered Accountants of India.
XIII	The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and	The Nomination and Remuneration Committee is empowered to determine the time period within which the Eligible Employees must exercise the vested Options in the event of termination or resignation of an Eligible Employee.
XIV	Whether the Plan is to be implemented and administered directly by the company or through a trust;	The Scheme is to be implemented directly.
XV	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	The Plan involves new issue of shares by the Company

XVI	The amount of loan to be provided for implementation of the Plan by the company to the trust, its tenure, utilization, repayment terms, etc.	Not Applicable
XVII	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)	Not Applicable

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, directly or indirectly in the proposed resolution except to the extent of being eligible to participate in the proposed ESAR Plan, 2019.

The Board recommends the resolution set forth in Item No. 6 for the approval of the shareholders.

All the material documents pertaining to the above resolution shall be available for inspection by the shareholders at the Registered Office of the Company.

ITEM NO. 7

To approve grant ESARs to the Employees/Directors of the Subsidiary Company(ies)/ of the Company under - ESAR Plan 2019

The Company seeks shareholder's approval in respect of ESAR 2019 and grant of "ESARs" to the eligible employees/ Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company as decided by the Nomination and Remuneration Committee from time to time in due compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations").

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, directly or indirectly in the proposed resolution except to the extent of being eligible to participate in the proposed ESAR Plan, 2019.

The Board recommends the resolution set forth in Item No. 7 for the approval of the shareholders.

All the material documents pertaining to the above resolution shall be available for inspection by the shareholders at the Registered Office of the Company.

ITEM NO.8

To alter Articles of Association of the Company with respect to removal of common seal clause

With the enactment of the Companies (Amendment) Act, 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing/amending the relevant clauses in the Articles of Association of the Company pertaining to the common seal. Accordingly, Article 2A(ss) and 85 shall be deleted and Article 15(d), 16(d)(i) and 28(d) shall be amended. Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of shareholders by passing a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, directly or indirectly in the proposed resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the shareholders.

All the material documents pertaining to the above resolution shall be available for inspection by the shareholders at the Registered Office of the Company.

TeamLease™
Putting India to Work

TEAMLEASE SERVICES LIMITED
CIN: L74140KA2000PLC118395
6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India,
Tel: 91 80 6824 3000 Fax: 91 80 6824 3001
corporateaffairs@teamlease.com | www.teamleasegroup.com

Nineteenth (19th) Annual General Meeting –Friday, August 23, 2019

Registered Folio no./DP ID no./Client ID no.: .... Number of shares held:...

Dear Shareholder,

Subject: Instructions for E-Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide E-Voting facility to the shareholders to cast their votes electronically on all resolutions set forth in the Notice convening **Nineteenth (19th)** AGM to be held on Friday, August 23, 2019, at 03:00 PM IST. The Company has engaged the services of Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) (Karvy) to provide the E-Voting facility

The Notice is displayed on the Company's website, https://www.teamleasegroup.com/annual-report and on the Website of Karvy, www.karvy.com.

The E-Voting facility is available at the link, https://www.evoting.karvy.com.

E-Voting particulars

EVEN (E-Voting Event Number)	User ID	Password/PIN

The e-voting facility will be available during the following voting period:

Commencement of E-Voting	End of E-Voting
Tuesday, August 20, 2019 at 9:00 AM IST	**Thursday, August 22, 2019 at 5:00 PM IST**

The remote E-Voting facility shall not be allowed beyond the aforesaid date and time and the E-Voting module shall be disabled by Karvy upon expiry of said period.

Please read the instructions printed below before exercising your vote:

These details and instructions form an integral part of the Notice for the Nineteenth (19th) AGM of the Company to be held on Friday, August 23, 2019.

By Order of the Board of Directors
Teamlease Services Limited

Alaka Chanda
Company Secretary and Compliance Officer
Membership No: A29098

Registered office:
6th Floor, BMTC Commercial Complex,
80 Ft Road, Koramangala,
Bangalore, Karnataka - 560095, India,
Tel: 91 80 6824 3000
Fax: 91 80 6824 3001

corporateaffairs@teamlease.com
www.teamleasegroup.com

Date: June 26, 2019
Place: Bangalore

Steps for E-Voting

(A) In case a shareholder receives an email from Karvy [for shareholders whose email IDs are registered with the Company/Depository Participants(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for E-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email scrutinizer@teamlease.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of shareholders receiving physical copy of Notice [for shareholders whose email IDs are not registered with the Company /Depository Participants (s)]:

i. E-Voting Event Number - XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The shareholders, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the AGM. Shareholders who have already cast their votes by remote E- Voting are eligible to attend the AGM; however those shareholders are not entitled to cast their vote again at the AGM.

A shareholder can opt for only single mode of voting i.e. through remote E-Voting or voting at the AGM. If a shareholder casts votes by both modes then voting done through remote E-Voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions

a. In case of any query and/or grievance, in respect of voting by electronic means, shareholders may refer to the Help & Frequently Asked Questions (FAQs) and E-Voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Rajitha Cholleti / Premkumar Nair, (Unit: TeamLease Services Limited) of Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy. com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The remote E-Voting period commences on August 20, 2019 (9:00 A.M. IST) and ends on August 22, 2019 (5:00 P.M.IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 16, 2019, may cast their votes electronically. A person who is not a shareholder as on the cut-off date should treat this Notice for information purpose only. The remote E-Voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

d. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. August 16, 2019.

e. In case a person has become a shareholder of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting i.e., August 16, 2019, he/ she may obtain the User ID and Password in the manner as mentioned below :

   i. If the mobile number of the shareholder is registered against Folio No./ DP ID Client ID, the shareholder may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

      Example for NSDL: MYEPWD <SPACE>
      IN12345612345678
      Example for CDSL: MYEPWD <SPACE>
      1402345612345678
      Example for Physical: MYEPWD <SPACE>
      XXXX1234567890

   ii. If e-mail address or mobile number of the shareholder is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the shareholder may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Shareholder may call Karvy's toll free number 1800-3454-001.

   iv. Shareholder may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new shareholders whose mail ids are available.

f. A person whose name is recorded in the Register of shareholders or in the Register of beneficial holders, maintained by the Depositories as on the cut-off date only, shall be entitled to avail the facility of remote E-Voting as well as voting at the AGM venue through Insta poll.

g. The Company has appointed Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, Practicing Company Secretaries (FCS: 5682, COP:4157) Mumbai to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

h. The Chairman shall at the end of discussion at AGM on the resolutions on which voting is to be held, allow voting with the help of Scrutinizer, by use of insta poll facility for all those shareholders who are present at the AGM but have not cast their votes by availing the remote E-Voting facility.

i. The Scrutinizer shall immediately after conclusion of voting, first count the votes casted at the AGM, and thereafter unblock the votes casted through remote E-Voting in the presence of at-least two witnesses not in employment of the Company and shall make not later than two days from the conclusion of the AGM, i.e., on or before August 25, 2019, a consolidated Scrutinizer's Report of the total votes cast in favour or against if any, to the Chairman or a person authorized by the Chairman in writing who shall countersign the same and declare the result of the voting forthwith.

j. The Results declared along with the Report of the Scrutinizer shall be placed on the Website of the Company i.e., www.teamleasegroup.com and on the Website of Karvy immediately after the declaration of result by the Chairman or a person authorized by the Chairman in writing. The result shall immediately be forwarded to BSE Limited and National Stock Exchange of India Limited where the shares of Company are listed.

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014- Form No. MGT-11]

TeamLease™
Putting India to Work

TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395

6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India,

Tel: 91 80 6824 3000 Fax: 91 80 6824 3001

corporateaffairs@teamlease.com | www.teamleasegroup.com

Nineteenth (19th) Annual General Meeting –Friday, August 23, 2019

Name of the shareholder (s)	
Name of the joint shareholder if (any)	
Registered address	
E-mail	
Folio No. /Client ID	
DP ID	
Number of shares held	

I/We, being the shareholder (s) of __________ shares of the above named company, hereby appoint

Name: ____ E-mail: ____

Address: ____

____ Signature: ____

Or failing him/her

Name: ____ E-mail: ____

Address: ____

____ Signature: ____

Or failing him/her

Name: ____ E-mail: ____

Address: ____

____ Signature: ____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineteenth (19th) AGM of the Company, to be held on Friday, August 23, 2019 at 03.00 PM IST at, Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	**Against**	**Abstain**
A.	**ORDINARY BUSINESSES**			
1	To receive, consider and adopt Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019			
2	To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019			
3	To receive, consider and adopt the Auditor's Report and the Report of the Board of Directors for the Financial Year ended March 31, 2019			
4	To appoint a director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601) who retires by rotation and being eligible, offers himself for re-appointment			
B.	**SPECIAL BUSINESSES**			
5	To appoint Mr. Zarir Batliwala (DIN: 01028343) as an Independent Director of the Company			
6	To adopt TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 and to create fresh ESAR pool of 1.5% of paid-up share capital of the Company			
7	To approve grant ESARs to the Employees/Directors of the Subsidiary Company(ies)/ of the Company under - ESAR Plan 2019			
8	To alter Articles of Association of the Company with respect to removal of common seal clause			

Affix revenue stamp of not less than Re 1

Signed this ____________________ day of ______________ 2019,

______________________ ______________________

Signature of the shareholder Signature of the proxy holder(s)

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before August 21, 2019, at 03.00 pm IST).
2. It is optional to indicate your preference. If you leave the 'for',' against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Attendance Slip

TeamLease™
Putting India to Work

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Nineteenth (19th) Annual General Meeting – Friday, August 23, 2019

Name of the shareholder	
Name of the Joint shareholder (if any)	
Folio no./Client ID/DP ID :	
Number of shares held:	
Proxy/ Authorized representative Name (if any)	

I certify that I am a registered shareholder/proxy /authorized representative for the registered shareholder of the Company.

I hereby record my presence at the Nineteenth (19th) AGM of the Company at Bangalore, Karnataka, India on Friday, August 23, 2019 at 03.00 PM IST at Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka, India.

____

Name of the registered shareholder/proxy /authorized representative
(in BLOCK letters)

____

Signature of the registered shareholder/proxy /authorized representative

Note: Please fill up this Attendance Slip and hand it over at the entrance of the AGM venue. Shareholders are informed that no duplicate copy of Attendance Slip shall be provided at the AGM venue.

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Registered Office:

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