

Annual Report
2016-17

TeamLease Services Limited

PUTTING INDIA TO WORK



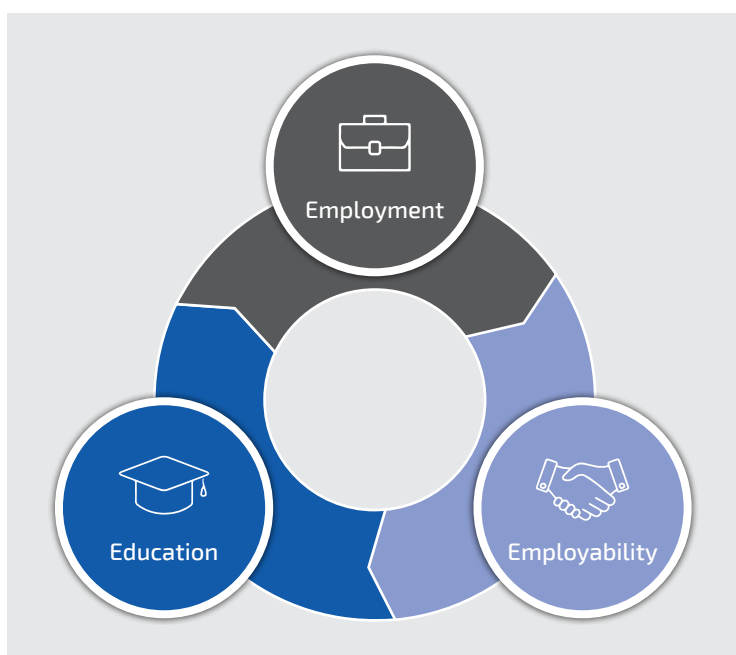
We are among India's leading providers of human resource services in the organized segment delivering a broad range of services to various industries.

Our Vision

Our long-term philosophy and goals are reflected in our purpose of 'Putting India to work'

Our strategy

How we have evolved from being a staffing solutions provider to a more broad based training and learning human resource provider



Strategic framework on pages **08-11**



Financial statements on page **67-159**

What's Inside

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GROWTH WITH A FOCUSED STRATEGY

Business highlights



Leadership

#1

People supply chain company in India among the organized sector



Integrated

#1

One stop shop for all HR related services



Presence

29

States in India



Portfolio

10

Services offered to discerning clients



Associates / Trainee

1.50+ lakh

Placed as at March 31, 2017



Clients

1900+

Associated with us as at March 31, 2017

Read more on page **08**

Financial highlights



Revenue from Operations

₹3041 crore

+21.44% over 2015-16



Profit before tax

₹61.31 crore

+62.10% over 2015-16



EBIDTA margin

1.46%

+43 bps over 2015-16



EBIDTA

₹44.30 crore

+71.83% over 2015-16



Profit before tax margin

2%

+50 bps over 2015-16



Adjusted EPS

₹38.80

+143.76 % over 2015-16

Read more on page **05**

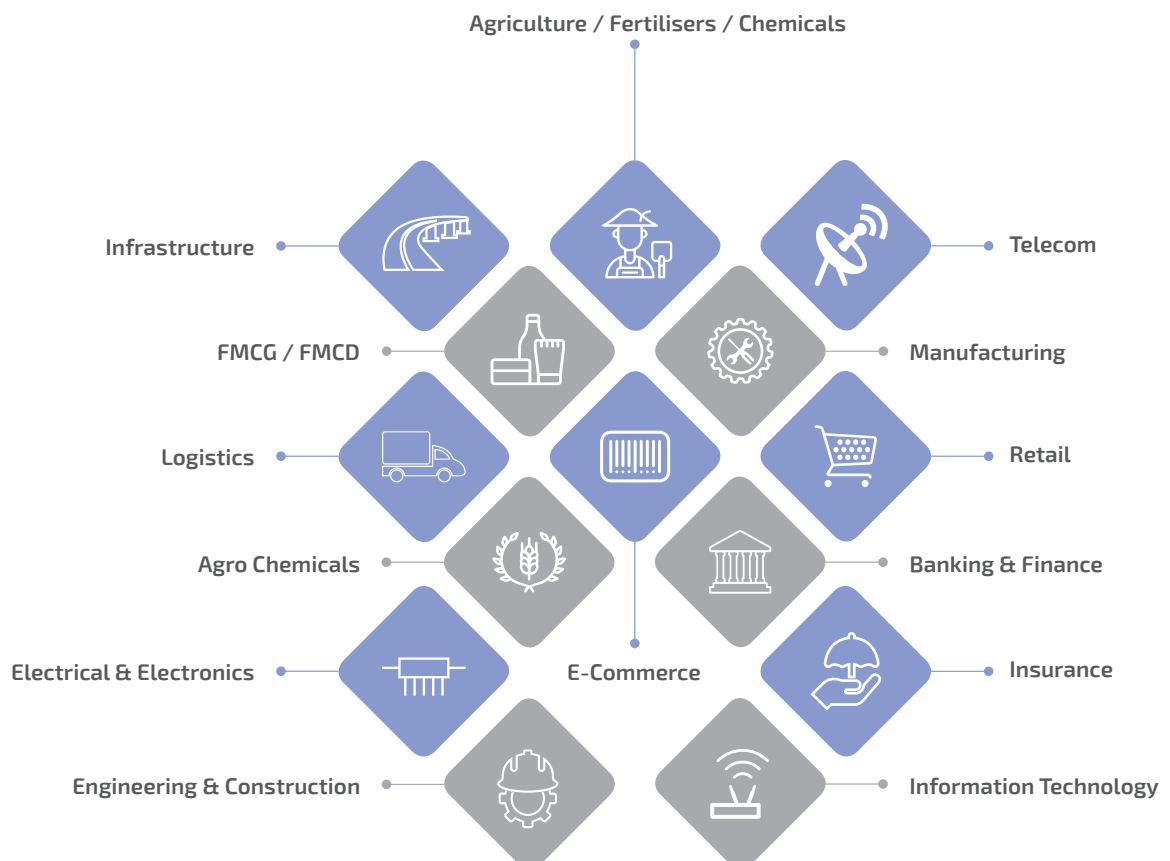
TEAMLEASE AT A GLANCE

Started in 2002, TeamLease is amongst India's leading staffing and HR service companies, offering a range of solutions and services. Headquartered in Bengaluru, India, the Company is taking rapid strides towards its vision of 'Putting India to Work'. Having a pan-India presence, the Company's service suite helps serve more than 1900 clients, driven by a strong Board, management team and employees.

TeamLease as a brand provides multiple HR services ranging from temporary staffing (general & IT), permanent recruitment, payroll processing, training and regulatory consultancy of labour law compliance. Our expansion into IT staffing vertical, with recent acquisitions of ASAP Info Systems, Nichepro Technologies and Keystone Business Solutions, has helped us push for growth in revenue, reduce costs and improve margins.

We cater to these downstream sectors

Our core staffing team of 737 people help us provide temporary employment to people across several sectors. Some of them being:



VALUE DRIVERS

We strive to have a large formal employment structure in India. Effective and efficient employment solutioning has helped our clients achieve their goals.



Scale

We have always believed in building a larger and more profitable enterprise with bigger footprints. This explains our strategic presence across 6000+ locations country-wide, with operations streamlined to drive higher productivity.

26.86%

5-year CAGR in revenue leading to 2016-17

30%

3-year CAGR in net profit leading to 2016-17



Execution

Our focus continues to help us achieve our set targets and strategies. Our recent acquisitions puts us on a stronger path for our long-term vision, while continuing to maintain a strong, flexible balance sheet.

₹ 381.13 crore

Net worth of company as on March 31, 2017



Learning

Our hunger to succeed is a result of our passion to learn newer things. We strive to learn, grow and change every day. We encourage our teams to analyse and learn from every activity or experience. This pro-activeness has helped us set higher goals and drive the Company ahead.



Aggression

Our ambition to achieve growth is backed by our actions. We strive for perfection with high commitment levels and innovative services. Our passion is driven by our intent to build an institution to serve our customers timely and accurately.

73,000+

Addition of Associate Employees/Trainees over the last three years



Futuristic

TeamLease is a growing enterprise with more than 1.50 lakhs Associate Employees /Trainees as on March 31, 2017. We have an integrated system to provide employment, ensure employability and enrich the education standards.

5%

Market share in organized staffing solutions

20.90%

5-year CAGR in Associate Employees leading to 2016-17



A Social Enterprise

No business is successful or viable if it does not contribute positively to the society or stakeholders at large. At TeamLease we make a conscious effort to create a positive impact on the livelihoods we touch - be it through our business or non-business activities.

15.67 lakh

People put to employment by us till date

AN EVENTFUL JOURNEY

2002

Incorporated the Company with operations beginning from four offices, 20 clients and 40 employees.

2008

We initiated discussions for the apprenticeship revamp and made compliance a separate strategic business unit

2016

Listed on BSE and NSE , with the IPO oversubscribed 67 times

2005

- Strengthened the technology infrastructure with centralizing the operations in head office at Bengaluru
- Published our first labour report

2011

- Signed a Memorandum of Understanding (MoU) for setting up the country's first skills university with State government of Gujarat
- We were the founding members to ISF (Indian Staffing Federation)

2004

Started the permanent recruitment business for one client

2009

Made our first inorganic acquisition of IIJT Education Private Limited which is into retail and institutional training

2017

Acquired ASAP Info Systems, Nichepro Technologies and Keystone Business Solutions adding IT staffing as a new service offering

2007

Started new service offerings

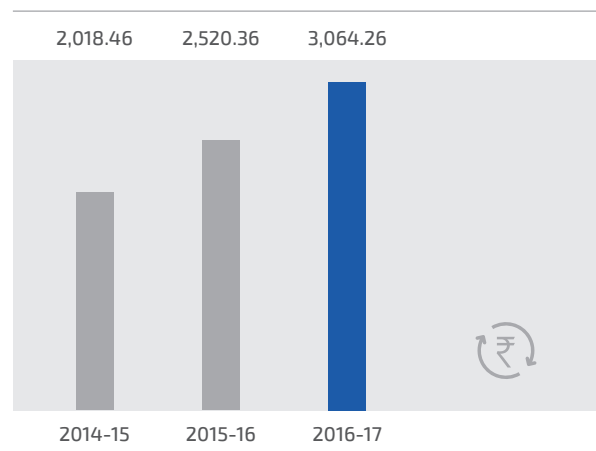
2015

Filed the DRHP with SEBI for listing on the Indian Stock Exchanges

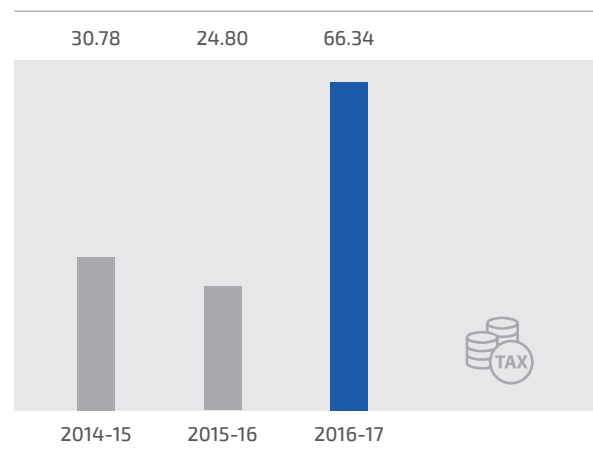


WORTHY FINANCIAL MODEL

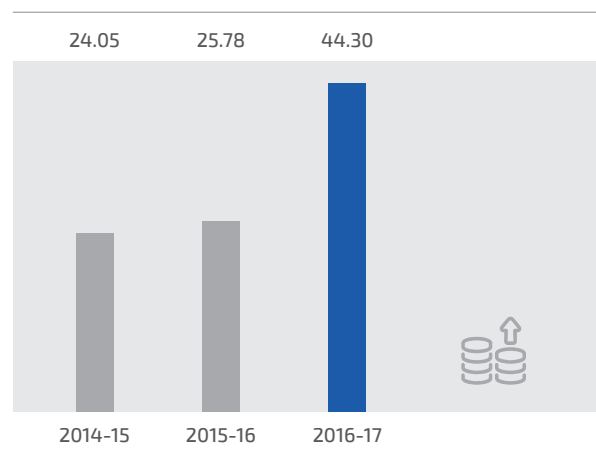
Revenue (₹ in crore)



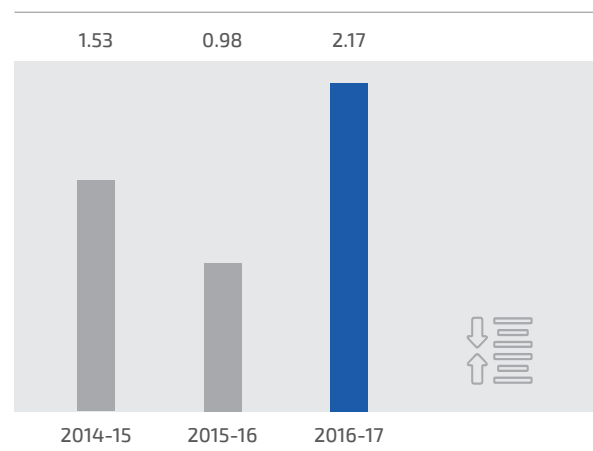
Profit after tax (₹ in crore)



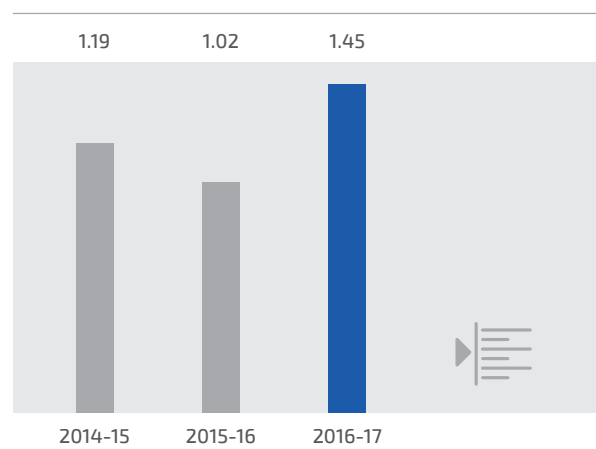
EBIDTA (₹ in crore)



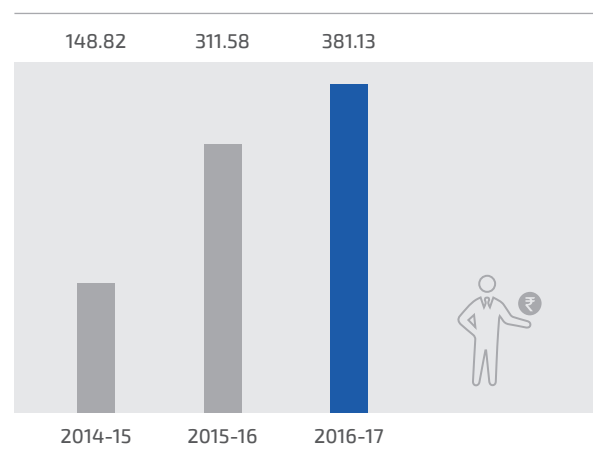
Profit after tax margin (%)



EBIDTA margin (%)



Net worth (₹ in crore)



WHY TEAMLEASE DELIVERS



Market share

In terms of Associate Employees and revenues, we are the largest organized staffing company with a market share of more than 5% as on March 31, 2017. Despite competition from domestic peers and global companies having their presence in India, we have grown our Associate Employee/Trainee base at a CAGR of 24.80% in last three years leading to 2016-17.



Governance

Good governance is vital to any business success. Our transparent and efficient governance infrastructure provides the framework within which we implement our strategy and create further value for our stakeholders. Our strict adherence to labour and corporate laws, strong internal compliances and a dedicated legal team sets us apart from others. The result: More than 95% renewal rate with our clients on a year-on-year basis.



Technology

We are more connected to our clients today than we were before. We have used the right technology and data insights to help us enhance our operational efficiencies. Our investments till date to the tune of ₹19.50 crore in continuous technological upgradation have helped us identify human resources that suit our diverse client requirements. Our advanced proprietary technological platforms have helped us scale our operations, reduce our turn-around time and ensure consistent client servicing.



Knowledge-driven

We deliver our staffing services across various sectors, including consumer durables, chemicals, manufacturing, media and telecom, retail, banking, financial services, insurance, e-commerce, pharmaceuticals and healthcare. Our expertise across different sectors gives us the edge to enhance our client value proposition. Our efforts to strengthen our knowledge and handle complexities have enabled us reach out to more clients and expand our market presence.



Management

We are a professionally managed company, backed by quality senior management team. Their guidance provides the right balance of experience, expertise and strategic vision, contributing significantly to our growth. Our Promoters, who have extensive experience in the human resources services industry in general and staffing industry in particular, have distinct, specific and defined roles in nurturing our Company. TeamLease was co-founded and promoted by Mr. Manish Sabharwal, our Chairman and Mr. Ashok Kumar Nedurumalli, our Managing Director and Chief Executive Officer. With their experience we have been able to achieve sustainable growth and strengthen our market share in India.



Client portfolio

We provide diverse HR solutions to more than 1900 clients across the country. Being a market leader in the organized staffing solutions industry, our client portfolio comprises several Fortune 500 companies as well as several fast growing SMEs.



Presence

Our technology platform and processes has enabled a pan India presence that has allowed us scale our business with increasing trust and reliability of our clients and Associate Employees. Our 8 branch office network as on March 31, 2017 has strengthened our operations across new verticals with more service offerings.



Team

At TeamLease our intellectual capital forms a cornerstone for our success. Our performance-driven culture is the key to our outperformance. Execution of Board level strategies with excellence is largely credited to our exceptional team of more than 1400 members. Our team has been exceptional in delivering efficient, effective and scalable roll-outs of our new service offerings to our clients and driving customer satisfaction.

OUR STRATEGY AND STRATEGIC ROADMAP

At TeamLease, we believe the 3E (Employment, Employability and Education) opportunity model is the foundation for our sustainable growth. We have aligned our strategies to capitalize on the opportunities rising around these three fundamentals.



EMPLOYMENT

According to a recent study by Indian Staffing Federation, 87% of India's workforce works in the informal sectors without proper benefits. Presently from being the 4th largest employer of flexi-staff, the country is poised to become the 3rd largest employer by 2018 with a growth of 12.3% per annum.

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

The real problem

Our country's unemployment rate is 4.9%. However, here are some key issues affecting employment:

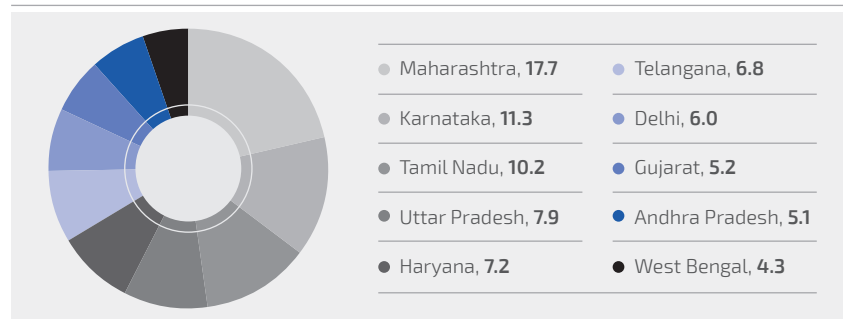
- The problem lies with most jobs in the country not paying enough to sustain living
- We have only 50 cities with more than a million people compared to China's 350
- More than 50% of our labor force work in agriculture generating only 11% of the country's GDP
- More than 87% of our labor force works informally

The solution

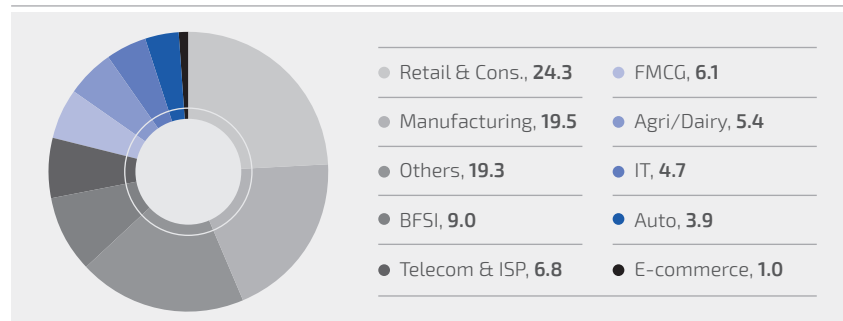
Flexi-staffing is an employment enabler, helping generate employment in accordance with changing dynamics. We find the right employees for the right employers, providing employment they are best suited for.

- With core staffing, IT staffing and HR services (like recruitment, regulatory consulting and payroll processing), TeamLease is the largest organized staffing solution company in India
- With a market share of ~5% (in terms of number of associate employees), we are the leaders in the organized staffing sector
- We have our associates employees/trainees placed across multiple sectors, including retail, manufacturing and telecom among others
- With formalization of employment, our pan India presence has helped generate employment for more than a million people since our inception in 2002

Associate Employee breakup for Top 10 States (%)



Associate Employee mix across sectors, 2016-17 (%)



EMPLOYABILITY

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

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

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

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

What India needs...

Non-farm employment

More than 50% of our labor force work in agriculture generating only 11% of the country's GDP

Rural employment

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

Organised employment

There are more than 87% of Indians working in unorganized sector

Higher employment income

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

Higher literacy

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

...And how is TeamLease addressing these issues

Public Policy

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

Skill Development

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

Indian Staffing Federation

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

Skills University

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

NETAP

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

PPP

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

EDUCATION

A high level of unemployment and lower employability skills are directly correlated to poor education. Lack of education below secondary level leaves people with a choice of low-income, self-employment or unemployment.

TeamLease Skills University

India's First Vocational Skills University, TeamLease Skills University (TLSU) is co-located within the ITI Tarsali campus at Vadodara and is a PPP with Department of Labour and Employment, Government of Gujarat. Increasing level of unemployment complemented by a weak education and skill level made it imperative for us to set up a higher education institution that addresses the needs of all employers.

TLSU is clearly focused on 'Putting India to Work' by offering employment-oriented programs and creating

a career path for non-graduate employees through our unique Program for working professionals.

Key partnerships

We are working closely with many industries to ensure our curriculum is in line with what the employers require and provide opportunities for all students to enhance their career objective.

We are also in association and in partnership with some of the leading institutes, namely:

- ERASMUS + & UKIERI, Northern Ireland.
- Indian Institute, Vadodara.
- JBS Academy, Ahmedabad.
- Daily News Analysis (DNA), Ahmedabad.
- Model Career Center (MCC), Vadodara.
- Muni Seva Ashram – Kailash Cancer Hospital, Goraj.

NETAP

National Employability Through Apprenticeship Program (NETAP) is a Public Private Partnership of Ministry of Skill Development & Entrepreneurship, TeamLease Skills University, CII, and NSDC under the National Employability Enhancement Mission of the Ministry of HRD (AICTE). It will help unemployed youth to build skills through Learning by doing

and Learning while earning along with providing them with access to practical skills. It is structured to overcome the current challenges of the Apprenticeship Act. A NETAP apprenticeship would qualify for credit towards certificates/diplomas/degrees offered online by TeamLease Skills University (TLSU).

NETAP trainee headcount:

23,439
2016-17

11,574
2015-16

300+

Organisations for deployment of the trainees

53,500+

Trainees had cumulative training till March 31, 2017

PROFILE OF BOARD OF DIRECTORS

1



2



3



4



5



6



1. **Manish Mahendra Sabharwal**, Executive Chairman
2. **Ashok Kumar Nedurumalli**, Managing Director and Chief Executive Officer
3. **Gopal Jain**, Non-Executive Director
4. **Latika Pradhan**, Non-Executive Independent Director
5. **Narayan Ramachandran**, Non-Executive Independent Director
6. **V. Raghunathan**, Non-Executive Independent Director

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

In 1996 he co-founded India Life Pension Services Limited, a payroll and pension services company that was acquired by Hewitt associates in 2002. He also serves on various state and central government committees on education, employment and employability. He is currently a nominated member of the Central Advisory Board of Education – the highest advisory body to advise the Central and State Governments in the field of education. Additionally, he serves on the executive committee of the chief minister's advisory council, planning department of the Government of Rajasthan. He is also part of the expert committee on innovation (Niti Ayog). 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 Kumar Nedurumalli 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.

Gopal Jain is a Non-Executive Director of our Company. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Delhi. He is the Managing Partner and co-founder of Gaja Capital, an India focused private equity firm based in Mumbai. He has over 23 years of experience in the private equity and financial services industry in India. He is also the Chairman of SportsVillage – India's largest sports management company for schools and is also Chairman of Eurokids – India's second largest pre-school & K12 Company. He also serves on the Board of CL Educate Limited – one of India's top 3 Test preparation and publishing companies and Bakers Circle – a leading product solutions provider to the F&B industry.

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

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

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

CORPORATE INFORMATION

Audit Committee	Latika Pradhan, Chairperson Gopal Jain Narayan Ramachandran V Raghunathan
Nomination and Remuneration Committee	Narayan Ramachandran, Chairman Latika Pradhan Gopal Jain
Stakeholders Relationship Committee	V Raghunathan, Chairman Ashok Kumar Nedurumalli Manish Mahendra Sabharwal
Corporate Social Responsibility Committee	V. Raghunathan, Chairman Manish Mahendra Sabharwal Ashok Kumar Nedurumalli
Chief Financial Officer	N. Ravi Vishwanath
Company Secretary	Mruthunjaya Murthy C
Statutory Auditors	Price Waterhouse & Co Bangalore LLP, Chartered Accountants 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028
Internal Auditors	Grant Thornton India LLP, 65/02, Bagmane Tridib, Block A, Bangalore 560 093, India
Bankers	Axis Bank Bank of India Canara Bank Citi Bank Federal Bank HDFC Bank IDBI Bank ICICI Bank IndusInd Bank ING Vysya Bank Kotak Mahindra Bank State Bank of India
Shares are listed with	National Stock Exchange of India Limited BSE Limited
Registrar and transfer agents	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India Tel: +91 40 6716 2222 Fax: +91 40 2300 1153 Email: einward.ris@karvy.com Website: www.karisma.karvy.com
Registered office	Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India Tel: + 91 22 6641 9500 Fax: + 91 22 2656 6548 Email: corporateaffairs@teamlease.com Website: www.teamlease.com
Corporate Identity Number	L74140MH2000PLC124003
Corporate office	6th Floor, BMTC Commercial Complex, 80 feet road, Kormangala, Bengaluru 560 095, Karnataka, India Tel: + 91 80 3300 2345 Fax: + 91 80 3324 3001
Branch offices	Ahmedabad Delhi Pune Kolkata Mumbai Hyderabad Chennai

STATUTORY REPORTS

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the Annual Report of your Company along with the standalone and consolidated summary financial statements for the year ended March 31, 2017. Consolidated performances of the Company and its subsidiaries have been referred to wherever required.

Financial Results

₹ in million

	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	29,910.82	25,049.18	30,418.68	25,049.18
Other Income	239.60	147.68	223.92	154.40
Total Revenue	30,150.42	25,196.87	30,642.61	25,203.59
Profit before finance cost, depreciation and taxes	609.72	407.08	666.91	412.21
Less: Provision for Depreciation	39.89	30.08	42.85	30.08
Profit before Finance Cost and Tax	569.83	377.00	624.06	382.13
Less: Finance Cost	8.87	3.92	10.97	3.92
Profit Before Tax	560.96	373.08	613.09	378.21
Less: Provision for Tax	(5.39)	130.22	(50.35)	130.22
Profit After Tax	566.35	242.86	663.44	247.99
Surplus carried to Balance Sheet	566.35	242.86	663.44	247.99
Earnings Per Share:				
- Basic & Diluted (₹)	33.13	15.59	38.80	15.92

Dividend and Reserves

Your Directors would like to use the profits earned for purpose of enhancing business and hence do not propose any dividend for the financial year under review.

No amount has been transferred to reserves and the profit for the year has been retained in the profit and loss account.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

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

Review of Business Operations and Future Prospects

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

The Company's total revenue for the year ended March 31, 2017 on a consolidated basis increased to ₹ 30,642.61 mn from ₹ 25,203.59 mn during the previous year. The Company achieved an EBIDTA (including other income) of ₹ 666.91 mn during the current year as against the previous year EBIDTA of ₹ 412.21 mn. The profit before Tax for the financial year under review was ₹ 613.09 mn as against ₹ 378.21 mn for the previous financial year. The profit after tax of the Company for the year ended March 31, 2017 was ₹ 663.44 mn as against the previous year profit after tax of ₹ 247.99 mn. Profit After

Tax was positively impacted by the tax benefits availed under section 80JJAA of the Income Tax Act, 1961 and deferred tax benefits availed from the recently acquired subsidiaries.

Number of associate employee as on the date of close of financial year of the company was 1,51,085 (including the NETAP trainees of 23,439) as against the previous year Associate employee of 1,20,434 (including NETAP trainees of 11,574). 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.

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

Incorporation of New Subsidiary Company

During the year under review the company has incorporated a wholly owned subsidiary company, TeamLease Staffing

Services Private Limited, for the purpose of entering into IT staffing business.

Acquisition of IT Staffing Companies

During the year under review your company has acquired the following IT staffing companies through its wholly owned subsidiary, TeamLease Staffing Services Private Limited:

- Asap Info Systems Private Limited
- Nichepro Technologies Private Limited
- Keystone Business Solutions Private Limited

As on the date of reporting the business integration of the acquired companies with the holding company has been completed and all the financial data of these three companies have been considered in the audited consolidated financial statements of the Company for the period ended March 31, 2017.

Consequent to the acquisitions of these three entities the base platform of staffing business has extended its arms to IT staffing business and your directors are confident that the IT staffing business will bring additional value in terms of revenue and profits.

Utilisation of IPO Proceeds

The proceeds of the IPO are being used for funding existing and incremental working capital requirements, acquisitions and other strategic initiatives, up-gradation of the existing IT infrastructure and general corporate purposes. The unutilised portion thereto has been invested in bank deposits. The summary of utilisation of net IPO proceeds as on March 31, 2017 are as follows:

₹ in million				
Sl. No.	Particulars	Projected Utilisation of funds as per prospectus	Utilisation of funds up to March 31, 2017	Un-utilised amount as at March 31, 2017
A	Funding existing and incremental working capital requirements	800.00	620.00	180.00
B	Acquisitions and other strategic initiatives	250.00	250.00	-
C	Up gradation of the existing IT infrastructure	150.00	16.47	133.53
D	General corporate purposes	184.10	6.07	178.03
Total		1,384.10	892.54	491.56

Statutory Bonus and its Impact

During the previous year ended March 31, 2016, Payment of Bonus Act, 1965 ('the Act') has been amended by the Payment of Bonus (Amendment) Act, 2015. The Company has recognized additional statutory bonus of ₹261,866,742 for the year ended March 31, 2016 forming part of salaries, wages and bonus with a corresponding amount included in provision for employee benefits payable as at March 31, 2016. Based on the contractual agreements with the customers, the amount in respect of associate employees is recoverable from them with the stated mark-ups and accordingly, revenue from sale of services to the tune of ₹266,732,063 (net of service tax) had been recognised with a corresponding amount included in unbilled revenue of ₹305,408,213 with service tax thereon as at March 31, 2016.

During the year ended March 31, 2017, the Company has invoiced for the aforesaid unbilled revenue of its clients. Out of the total invoice raised, ₹ 142,004,505 is recoverable from clients and also the corresponding amount of bonus liability appears as a provision for employee benefits payable in the Balance Sheet. There are stay orders from various High Courts on the applicability of the Act and considering the same, there have been delays on receipt of the said billed amounts from clients. The Company has obtained a legal opinion on the said matter and is confident of recovering the balance amounts as per the contractual agreements along with consequential payments to the respective employees on legal determination of the above matters by the judicial authorities.

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

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

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

During the year under review the Company has incurred ₹ 18,331,794 towards expenditure in foreign currencies and earned ₹6,407,969 towards export of services during the year in foreign currency. Total foreign exchange outflow for the year is ₹ 18,412,678.

Statement Concerning Development and Implementation of Risk Management Policy of the Company

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

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

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider

Trading) Regulations, 1992, as amended from time to time, the code of conduct for prohibition of insider trading, as approved by the Board is in force by the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information. The Board has appointed Mr. Mruthunjaya Murthy, Company Secretary as the Compliance Officer under the Code.

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

The Companies Act, 2013 has mandated, under the provisions of Section 135 of the Companies Act, and Schedule VII of the Act, to form a Corporate Social Responsibility Committee for certain classes of Private Limited Companies and unlisted Public Limited Companies and has made it compulsory for all the listed Companies. In this regard your Directors in their Meeting held on July 09, 2015 have duly constituted the Committee, TeamLease Corporate Social Responsibility Committee. The committee now comprises Mr. V Raghunathan (Chairman and Independent Director), Mr. Manish Mahendra Sabharwal (Member) and Mr. Ashok Kumar Nedurumalli (Member).

During the year under review, the Committee met on March 22, 2017 and adopted the policy of the Committee as per Schedule VII of the Companies Act, 2013. The Board of Directors in their meeting held on March 22, 2017 unanimously decided not to incur any expenditure on Corporate Social Responsibility activity for the year under review. Your board members wish to state here that the Company's core objective is to provide Education, Employment and Employability through skill development and training which is a mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills, all of which are covered under the Act/Schedule as CSR activities. The Board discussed the matter in detail and has consented not to spend any amount towards CSR activity for financial year 2016-17 considering the ongoing business objects of the Company. However the Board advised the Company and CSR Committee to review any activity/ies that drives the modalities for Corporate Social Responsibility other than the core activities of the Company mentioned above and should it fit within any of the other activity listed in the Schedule VII the same can be considered for the financial year 2017-18.

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

Particulars of Loans, Guarantees and Investments made under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments made under Section 186 are given in the notes to the Financial Statements.

Particulars of Contracts or Arrangements made with Related Parties

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

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

Section 204 of the Companies Act, 2013, *inter-alia*, requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board of Directors appointed M Siroya & Company, Practicing Company Secretaries as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2016-17 and their 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 2017-18.

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

Extracts of Annual Return

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

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2017.

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

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

Subsidiaries, Joint Ventures and Associate Companies

The Company had 6 direct and indirect subsidiaries as on March 31, 2017. The Company does not have Joint Venture with any company and also does not have any Associate Company.

During the year under review, the following 4 subsidiaries were formed or acquired during the year:

1. TeamLease Staffing Services Private Limited (TSSPL)
2. ASAP Info Systems Private Limited (ASAP)
3. Nichepro Technologies Private Limited (Nichepro)
4. Keystone Business Solutions Private Limited (Keystone)

During the year under review, following companies ceased to be the Company's subsidiaries w.e.f December 27, 2016:

1. India Tourism & Hospitality Skills Education Private Limited (ITHS)
2. National Employability Apprenticeship Services (NEAS)

The details of major subsidiaries are given below:

IIJT Education Private Limited (IIJT) is a wholly owned subsidiary of the Company. During the year under review, the Company had leased out its property and the income for the Company was from the lease rent received on property. Total revenue amounted to ₹4.24 mn and profit after tax of ₹2.61 mn.

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

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

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

TLEF, being a wholly owned subsidiary, is provided financial support by your Company till the operations stabilize. The loan advanced to this subsidiary is at arm's length and will be charged with the appropriate rate of interest. TLEF, has in-turn, advanced monies to TLSU and the same is interest bearing. Revenue from operations was ₹10.08 mn and Interest Income was ₹18.03 mn and the Profit after tax was ₹0.71 mn.

National Employability Apprenticeship Services is a Section 8 Company (Originally registered under Section 25 of the Companies Act, 1956) and was incorporated as a wholly owned subsidiary. During the year under review there were no operations and the Company did not register any income. NEAS ceased to be a subsidiary w.e.f December 27, 2016.

India Tourism & Hospitality Skills Education Private Limited (ITHS) was incorporated as a wholly owned subsidiary. During the year under review there were no operations and the Company did not register any income. ITHS ceased to be a subsidiary w.e.f December 27, 2016.

TeamLease Staffing Services Private Limited (TSSPL) was incorporated under the provisions of Companies Act, 2013 for the purpose of entering into the IT staffing business. The company was incorporated on 4 July, 2016 and since then this company has acquired ASAP Infosystems Private Limited, NichePro Technologies Private Limited and Keystone Business Solutions Private Limited.

ASAP Info Systems Private Limited (ASAP) is a HR Services Company providing clients, solutions for their IT staffing requirements. The Company was acquired as a step-down subsidiary of TeamLease through TSSPL w.e.f. September 01, 2016. Post acquisition, Total revenue amounted to ₹386.15 mn and profit after tax of ₹35.29 mn.

Nichepro Technologies Private Limited (Nichepro) is primarily engaged in the business of providing information technology staffing solutions and consulting and other allied activities. The Company was acquired as a step-down subsidiary of TeamLease through TSSPL w.e.f. October 01, 2016. Post acquisition, Total revenue amounted to ₹112.36 mn and profit after tax of ₹74.00 mn.

Keystone Business Solutions Private Limited (Keystone) is engaged in the business of providing information technology staffing solutions and consulting. The Company was acquired as a step-down subsidiary of TeamLease through TSSPL w.e.f. February 01, 2017. Post acquisition, Total revenue amounted to ₹15.26 mn and profit after tax of ₹3.56 mn.

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

Deposits

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

Details of Directors or Key Managerial Personnel who were Appointed or have resigned during the Year

In accordance with the provisions of section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Manish Mahendra Sabharwal (DIN: 00969601), Executive 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 provided in the Notice of the Annual General Meeting.

There were no changes in the Key Managerial Personnel of the Company during the year.

Declaration of Independent Directors

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

Statutory Auditors

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, as Statutory Auditors of the Company will conclude at the close of the forthcoming Annual General Meeting of the Company. The Board of Directors place on record their appreciation for the services rendered by M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company have recommended the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration Number 101049W/E300004) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Members' attention is drawn to a Resolution proposing the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company which is included at Item No 3 of the Notice convening the Annual General Meeting.

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

Internal Financial Control

Your Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. Your Directors express their satisfaction and states that the company is having the adequate Internal Finance Control System to the size of its operation.

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.

Details in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statements

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

Shares

a. Buy Back of Securities

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

b. Sweat Equity

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

c. Employees Stock Option Plan

TeamLease Employee Stock Option Plan 2015 (ESOP 2015 scheme) has been placed before the shareholders for the ratification post listing of the Company's shares as required under Regulation 12 of the SEBI (Share based Employee Benefits) Regulations, 2014 as amended from time to time. During the year under review, the Board of Directors have effected transfer of 31,417 equity shares of ₹10 each from the ESOP Trust to the eligible employees who have exercised the rights on completion of vesting conditions against the options granted under the ESOP 2015 scheme. During the year under review, the Nomination and Remuneration Committee in their meeting held on February 02, 2017 has recommended for the fresh grants of 29,470 equity shares to one of the KMP and some of the senior management team members which is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The details of the same are provided in the notice calling the 17th Annual General Meeting.

The applicable disclosures relating to the ESOP scheme as stipulated under Regulation 14 of the SEBI (Share based Employee Benefits) Regulations, 2014 pertaining to the year ended March 31, 2017 is hosted on the Company's website at <http://www.teamlease.com/compliance-documents-and-forms-a-part-of-this-Report>.

Corporate Governance

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

CEO and CFO Certification

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

Human Resources

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 (Listing Obligations and Disclosure requirements) Regulations, 2015 the policies pertaining the code of conduct for employees, senior management team and directors, policy on succession plan and harassment free policy as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, Policy on insider trading as required under SEBI Prohibition of Insider Trading Regulations, 1992 and subsequent amendments made thereon, whistle blower policy has been uploaded in the website of the Company <http://www.teamlease.com/policy-documents>.

During the year under review, company received 11 complaints during the year of which 9 have been disposed off.

Particulars of Employees

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

As required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of the top 10 employees in terms of remuneration drawn are given in Annexure-VI is attached herewith. There were no employees during the financial year drawing remuneration of ₹1.02 crore per annum

or more and who were employed for a part of the financial year and have drawn a remuneration of more than ₹8.5 lakhs per month.

Acknowledgements

We thank our customers, vendors, investors, bankers and the ministry of labor for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on Behalf of Board of Directors

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Place: Bangalore

Date: May 18, 2017

Latika Pradhan

Director

DIN: 07118801

Annexure-I

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>Consequent to the implementation of the Companies Act, 2013, the Company has adopted the CSR policy through CSR Committee. The Company's through its policies aims to bring improvements in the lives of the communities in & around our operations with an objective to energize and enable them to realize their potential.</p> <p>The main objective of our CSR policy is:</p> <ol style="list-style-type: none"> 1) To lay down guidelines to make CSR a key business process for sustainable development of the society. 2) To directly/indirectly undertake projects & programs; this will enhance the quality of life and economic well-being of the communities in and around our office premises and society at large. 3) To generate goodwill and recognition among all stakeholders of the Company. <p>The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:</p> <ol style="list-style-type: none"> 1) Upliftment of the economically backward women through education and vocational training for livelihood enhancing skills. 2) Social and life skills development for the marginalised & underprivileged children to help them live a beautiful life. 3) Adopt a village. 4) Artesian and handicraft support and growth. 5) Participation in social causes like Breast cancer awareness initiatives & programs. Rehabilitation of victims of natural disasters.
2. The composition of the CSR Committee	V. Raghunathan, Chairman Manish Mahendra Sabharwal Ashok Kumar Nedurumalli
3. Average net profit of the Company for last three financial years	₹305,639,614
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹6,112,792
5. Details of CSR spent during the financial year	Nil
a. Total amount to be spent for the financial year	₹6,112,792
b. Amount unspent, if any	₹6,112,792
c. Manner in which the amount spent during the financial year is detailed below	For the reasons explained in Clause 6 herein below, no details are available to fill in the below table.

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

CSR project 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

Not Applicable

Amount spent on the projects or programs (Sub heads :)

(1) Direct expenditure on projects or programs

(2) Overhead

Cumulative expenditure upto the reporting period

Amount spent: Direct or through implementing agency

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

The Board is of the opinion that the Company's core objective is to provide Education, Employment and Employability through skill development and training which is mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills, all of which are covered under the Act/Schedule as CSR activities. The Board of directors in their meeting held on March 22, 2017 consented to defer the spend towards CSR activity for the year 2016-17 considering the ongoing present objects for the Company. However, the Board has advised the Company and CSR Committee to review any activity/ies that drives the modalities for Corporate Social Responsibility other than the core activities of the company mentioned above and should it fit within any of the other activity listed in the Schedule VII the same can be considered for the financial year 2017-18.

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

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

For and on Behalf of Board of Directors

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Place: Bangalore

Date: May 18, 2017

Latika Pradhan

Director

DIN: 07118801

Annexure-II

FORM AOC-2

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

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

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

Not Applicable

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

Name(s) of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Duration of the contract/ arrangement/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Date(s) of approval by the Audit Committee	Amount paid as advances, if any
India Life Capital Pvt. Ltd.	Management having significant influence	Investment advice received by the Company for the PF Trust	Continuous Period	2,040,000	Quarterly Approval and omnibus approval from Audit Committee in the meeting held on May 23, 2016	NIL
India Life Capital Pvt. Ltd.	Management having significant influence	Accounting Services provided by the Company	Continuous Period	300,000		NIL
India Life Capital Pvt. Ltd.	Management having significant influence	Renting of space by the Company	Continuous Period	3,564,000		NIL
IJIT Education Pvt. Ltd.	Subsidiary Company	Accounting Services provided	Continuous Period	300,000		NIL
TeamLease Education Foundation	Subsidiary Company	Service Charges for providing manpower and infrastructure for youth employability service	Started from January 2017 and will prevail upto December 2017	5,850,000	November 02, 2016	NIL
TeamLease Education Foundation	Subsidiary Company	Charges for mobilizing the training program	Continuous period	16,87,500	August 09, 2016	Nil
India Life Capital Pvt. Ltd.	Management having significant influence	Referral charges for introduction of new clients	Continuous	17,63,200	August 09, 2016	Nil
ASAP Info Systems Pvt. Ltd.	Step down subsidiary company	Charges for providing the recruitment services	Continuous period since November	10,27,075	November 10, 2016	Nil
ASAP Info Systems Pvt. Ltd.	Step down Subsidiary Company	Charges for providing office space and other services	Continuous since October 2016	3,72,000	August 09, 2016	Nil
Nichepro Technologies Pvt. Ltd.	Step down Subsidiary Company	Charges for providing office space and other services	Continuous since December 2016	18,00,000	November 10, 2016	Nil
Hansini Management Consultants Pvt. Ltd.	Management having significant influence	Charges for providing office space	Continuous since April 2016	1,80,000	May 23, 2016	Nil
Asha Vishwanath	Relative of Key Managerial Personnel	Rental charges for providing residential accommodation	Continuous period	6,00,000	May 23, 2016	Nil

For and on Behalf of Board of Directors

Ashok Kumar Nedurumalli

Managing Director
DIN: 00151814

Latika Pradhan

Director
DIN: 07118801

Place: Bangalore
Date: May 18, 2017

Annexure-III

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended March 31, 2017

[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, 2017. 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, 2017 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, 2017 according to the applicable provisions of:

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

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (f) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

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

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

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

We further report that the Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & 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) At the Board Meeting held on June 13, 2016, *inter-alia*, the following resolution was passed:

- (a) Formation of a Wholly Owned Subsidiary by the name of TeamLease Staffing Services Private Limited ("TSSPL");

- (ii) During the year, TSSPL, a wholly owned subsidiary of the Company, has acquired ASAP Info Systems Private Limited, Nichepro Technologies Private Limited and Keystone Business Solutions Private Limited (Keystone) and accordingly these companies became step down subsidiaries of the Company;

For **M Siroya and Company**

Company Secretaries

Mukesh Siroya

Proprietor

FCS No.: 5682

CP No.: 4157

Date: May 18, 2017

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

'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 18, 2017
Place: Mumbai

Annexure-IV

FORM NO. MGT 9

Extract of Annual Return

As on Financial Year ended on March 31, 2017

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

I. Registration & Other Details

i.	CIN	L74140MH2000PLC124003
ii.	Registration Date	02.02.2000
iii.	Name of the Company	TeamLease Services Limited
iv.	Category/Sub-category of the Company	Category - Public Listed Company - Limited by shares Sub-category - Indian Non-Government Company
v.	Address of the Registered office and contact details	"Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 0051 Tel.: +91 080 33002345 Fax: +91 080 33243001 E-mail: corporateaffairs@teamlease.com Website: www.teamlease.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar & Transfer Agent, if any	"M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad-500 032 Tel. No.: +91 040 6716 2222 Fax No.: +91 040 2300 1153 Email : einward.ris@karvy.com Website: www.karisma.karvy.com

II. Principal Business Activities of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies*

Sl. No.	Name and Description of main products / services	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 0051	U72200MH2006PTC218082	Subsidiary	100%	Sec. 2 (87)
2	TeamLease Education Foundation Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 0051	U80903MH2011NPL219138	Subsidiary	100%	Sec. 2 (87)
3	TeamLease Staffing Services Private Limited Office No.6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 0051	U74999MH2016PTC283227	Subsidiary	100%	Sec. 2 (87)
4	Asap Info Systems Private Limited #58, Karishma Building, 3rd Floor, Nungambakkam High Road, Chennai, Tamil Nadu – 600 034	U30006TN1998PTC041655	Subsidiary	100%	Sec. 2 (87)
5	Nichepro Technologies Private Limited #58, Karishma Building, 3rd Floor, Nungambakkam High Road, Chennai, Tamil Nadu – 600 034	U72900TN2008PTC116062	Subsidiary	100%	Sec. 2 (87)
6	Keystone Business Solutions Private Limited 6th Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka – 560 095	U72200KA2009PTC051657	Subsidiary	100%	Sec. 2 (87)

IV. Share Holding Pattern

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% 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.	23,66,728	-	23,66,728	13.84	31,01,920	-	31,01,920	18.14	4.30
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	23,72,071	-	23,72,071	13.87	31,07,263	-	31,07,263	18.17	4.30
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	54,26,579	-	54,26,579	31.74	45,71,779	-	45,71,779	26.74	(5.00)
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	54,26,579	-	54,26,579	31.74	45,71,779	-	45,71,779	26.74	(5.00)
TOTAL (A)	77,98,650	-	77,98,650	45.61	76,79,042	-	76,79,042	44.92	(0.70)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	22,02,473	-	22,02,473	12.88	29,60,185	-	29,60,185	17.31	4.43
b) Banks / FI	446	-	446	0.00	1,369	-	1,369	0.01	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	8,32,698	-	8,32,698	4.87	3,44,384	-	3,44,384	2.01	(2.86)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPIs)	16,93,259	-	16,93,259	9.90	23,89,839	-	23,89,839	13.98	4.07
Sub-total (B)(1):-	47,28,876	-	47,28,876	27.66	56,95,777	-	56,95,777	33.31	5.66
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	16,09,413	-	16,09,413	9.41	91,828	-	9,12,828	5.34	(4.07)
ii) Overseas	17,71,299	-	17,71,299	10.36	17,71,299	-	17,71,299	10.36	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	3,25,479	75,102	4,00,581	2.34	4,76,978	14,353	4,91,331	2.87	0.53
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	4,10,136	2,42,235	6,52,371	3.82	3,15,714	28,224	3,43,938	2.01	(1.80)
c) Others (specify)									
Non Resident Indians	472	-	472	0.00	10,212	-	10,212	0.06	0.06
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	6,914	-	6,914	0.04	45,859	-	45,859	0.27	0.23
Trusts	-	1,28,193	1,28,193	0.75	1,28,193	-	1,28,193	0.75	-
Non Resident Indian Non Repatriable	-	-	-	-	7,082	-	7,082	0.04	0.04
HUF	-	-	-	-	11,208	-	11,208	0.07	0.07
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	41,23,713	4,45,530	45,69,243	26.73	28,58,373	42,577	37,21,950	21.77	(4.96)
Total Public (B)	88,52,589	4,45,530	92,98,119	54.39	85,54,150	42,577	94,17,727	55.08	0.70
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,66,51,239	4,45,530	1,70,96,769	100.00	1,62,33,192	42,577	1,70,96,769	100.00	0.00

(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.	54,26,579	31.74	-	45,71,779	26.74	-	(5.00)
2	Dhana Management Consultancy LLP	13,79,886	8.07	-	12,60,278	7.37	-	(0.70)
3	NED Consultants LLP	8,55,100	5.00	-	17,09,900	10.00	-	5.00
4	MKS Management Consultancy Services LLP	300	0.00	-	300	0.00	-	-
5	Hansini Management Consultants Private Limited	1,31,442	0.77	-	1,31,442	0.77	-	-
6	Anupama Gupta	2,916	0.02	-	2,916	0.02	-	-
7	Arati Menon	2,427	0.01	-	2,427	0.01	-	-

[^] Includes Shareholding of Promoter group also.

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	HR Offshoring Ventures Pte Ltd.						
	At the beginning of the year			54,26,579	31.74		
	Changes during the year	03/05/16	Gift made	(8,54,800)	(5.00)	45,71,779	26.74
	At the end of the year					45,71,779	26.74
2	Dhana Management Consultancy LLP						
	At the beginning of the year			13,79,886	8.07		
	Changes during the year	13/02/17 to 30/03/17	Sale	(1,19,608)	(0.70)	12,60,278	7.37
	At the end of the year					12,60,278	7.37
3	NED Consultants LLP						
	At the beginning of the year			8,55,100	5.00		
	Changes during the year	03/05/16	Gift received	8,54,800	5.00	17,09,900	10.00
	At the end of the year					17,09,900	10.00
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			1,31,442	0.77		
	Changes during the year			-	-	1,31,442	0.77
	At the end of the year					1,31,442	0.77
6	Anupama Gupta						
	At the beginning of the year			2,916	0.02		
	Changes during the year			-	-	2,916	0.02
	At the end of the year					2,916	0.02
7	Arati Menon						
	At the beginning of the year			2,427	0.01		
	Changes during the year			-	-	2,427	0.01
	At the end of the year					2,427	0.01

(iv) Shareholding Pattern of top ten Shareholders

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	GPE (India) Ltd.						
	At the beginning of the year			17,71,299	10.36		
	Changes during the year			-	10.36	17,71,299	10.36
	At the end of the year					17,71,299	10.36
2	India Advantage Fund S3 I#						
	At the beginning of the year			10,22,137	5.98		
	Changes during the year	08/07/16	Sale	(40,000)	(0.23)	9,82,137	5.74
		15/07/16	Sale	(45,178)	(0.26)	9,36,959	5.48
		12/08/16	Sale	(9,36,959)	(5.48)	-	-
	At the end of the year					-	-
3	Gaja Capital India Fund-I						
	At the beginning of the year			4,13,519	2.42		
	Changes during the year			-	2.42	4,13,519	2.42
	At the end of the year					4,13,519	2.42
4	ICICI Prudential Value Fund#						
	At the beginning of the year			2,64,599	1.55		
	Changes during the year	08/04/16	Sale	(22,346)	(0.13)	2,42,253	1.42
		22/04/16	Sale	(1,13,119)	(0.66)	1,29,134	0.76
		06/05/16	Sale	(25,000)	(0.15)	1,04,134	0.61
		13/05/16	Purchase	1,04,134	0.61	2,08,268	1.22
		13/05/16	Sale	(1,04,134)	(0.61)	1,04,134	0.61
		17/06/16	Purchase	410	0.00	1,04,544	0.61
		06/01/17	Purchase	8,032	0.05	1,12,576	0.66
	At the end of the year					1,12,576	0.66
5	Emerging Markets Growth Fund, Inc.						
	At the beginning of the year			3,03,260	1.77		
	Changes during the year	08/04/16	Purchase	2,448	0.01	3,05,708	1.79
		17/06/16	Sale	(29,169)	(0.17)	2,76,539	1.62
		24/06/16	Sale	(23,445)	(0.14)	2,53,094	1.48
		22/07/16	Purchase	1,735	0.01	2,54,829	1.49
		29/07/16	Purchase	31,245	0.18	2,86,074	1.67
	At the end of the year					2,86,074	1.67
6	HDFC Trustee Company Limited						
	At the beginning of the year			6,72,427	3.93		
	Changes during the year	22/04/16	Purchase	26,192	0.15	6,98,619	4.09
		29/04/16	Purchase	44,400	0.26	7,43,019	4.35
		06/05/16	Purchase	32,000	0.19	7,75,019	4.53
		13/05/16	Purchase	8,375	0.05	7,83,394	4.58
		27/05/16	Purchase	5,900	0.03	7,89,294	4.62
		03/06/16	Purchase	3,72,000	2.18	11,61,294	6.79
		17/06/16	Purchase	25,700	0.15	11,86,994	6.94
		24/06/16	Purchase	21,700	0.13	12,08,694	7.07
		29/07/16	Purchase	1,500	0.01	12,10,194	7.08
		05/08/16	Purchase	399	0.00	12,10,593	7.08
		12/08/16	Purchase	3,27,500	1.92	15,38,093	9.00
	At the end of the year					15,38,093	9.00

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

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
7	Birla Sun Life Trustee Company Private Limited						
	At the beginning of the year			1,87,733	1.10		
	Changes during the year	05/08/16	Sale	(1,782)	(0.01)	1,85,951	1.09
		19/08/16	Purchase	2,417	0.01	1,88,368	1.10
		28/10/16	Purchase	54,200	0.32	2,42,568	1.42
		04/11/16	Purchase	8,700	0.05	2,51,268	1.47
		18/11/16	Sale	(600)	(0.00)	2,50,668	1.47
		24/02/17	Purchase	29,360	0.17	2,80,028	1.64
		03/03/17	Purchase	93,348	0.55	3,73,376	2.18
		17/03/17	Purchase	8,600	0.05	3,81,976	2.23
		24/03/17	Purchase	15,000	0.09	3,96,976	2.32
		31/03/17	Purchase	10,200	0.06	4,07,176	2.38
		31/03/17	Sale	(10,000)	(0.06)	3,97,176	2.32
	At the end of the year					3,97,176	2.32
8	Reliance Capital Trustee Company Limited^						
	At the beginning of the year			1,66,543	0.97		
	Changes during the year	29/07/16	Sale	(72,426)	(0.42)	94,117	0.55
		28/10/16	Purchase	615	0.00	94,732	0.55
		04/11/16	Purchase	6,900	0.04	1,01,632	0.59
		11/11/16	Purchase	1,490	0.01	1,03,122	0.60
		06/01/17	Purchase	1,40,000	0.82	2,43,122	1.42
		13/01/17	Purchase	1,33,000	0.78	3,76,122	2.20
		20/01/17	Purchase	57,826	0.34	4,33,948	2.54
		03/03/17	Purchase	70,000	0.41	5,03,948	2.95
		31/03/17	Purchase	2,21,000	1.29	7,24,948	4.24
	At the end of the year					7,24,948	4.24
9	Goldman Sachs India Fund Limited						
	At the beginning of the year			6,47,127	3.79		
	Changes during the year	12/08/16	Purchase	53,674	0.31	7,00,801	4.10
	At the end of the year					7,00,801	4.10
10	DSP BlackRock Equity Fund#						
	At the beginning of the year			5,22,870	3.06		
	Changes during the year	29/04/16	Purchase	12,937	0.08	5,35,807	3.13
		27/05/16	Sale	(4,37,349)	(2.56)	98,458	0.58
		01/07/16	Sale	(1,574)	(0.01)	96,884	0.57
		08/07/16	Sale	(9,641)	(0.06)	87,243	0.51
		10/02/17	Sale	(6,075)	(0.04)	81,168	0.47
		17/02/17	Sale	(250)	(0.00)	80,918	0.47
		17/03/17	Sale	(11,595)	(0.07)	69,323	0.41
		24/03/17	Sale	(68,627)	(0.40)	696	0.00
		31/03/17	Sale	(696)	(0.00)	-	-
	At the end of the year					-	-

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

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
11	Nomura India Investment Fund Mother Fund#						
	At the beginning of the year			5,06,409	2.96		
	Changes during the year	29/04/16	Sale	(20,353)	(0.12)	4,86,056	2.84
		27/05/16	Sale	(1,05,000)	(0.61)	3,81,056	2.23
		01/07/16	Sale	(58,000)	(0.34)	3,23,056	1.89
		08/07/16	Sale	(9,922)	(0.06)	3,13,134	1.83
		10/02/17	Sale	(3,13,134)	(1.83)	-	-
	At the end of the year					-	-
12	Goldman Sachs Funds, S.I.C.A.V. - Goldman Sachs GL^						
	At the beginning of the year			1,25,647	0.73		
	Changes during the year	20/05/16	Purchase	4,585	0.03	1,30,232	0.76
		27/05/16	Purchase	4,741	0.03	1,34,973	0.79
		03/06/16	Purchase	65,683	0.38	2,00,656	1.17
		08/07/16	Purchase	48,598	0.28	2,49,254	1.46
		12/08/16	Purchase	1,36,972	0.80	3,86,226	2.26
		21/10/16	Purchase	6,862	0.04	3,93,088	2.30
	At the end of the year					3,93,088	2.30
13	FIL Investments (Mauritius) Ltd^						
	At the beginning of the year			-	-		
	Changes during the year	03/03/17	Purchase	2,01,167	1.18	2,01,167	1.18
		10/03/17	Purchase	99,304	0.58	3,00,471	1.76
		31/03/17	Purchase	69,683	0.41	3,70,154	2.17
	At the end of the year					3,70,154	2.17
14	Canara HSBC Oriental Bank of Commerce Life Insurance^						
	At the beginning of the year			-	0		
	Changes during the year	01/07/16	Purchase	10,000	0.06	10,000	0.06
		08/07/16	Purchase	14,287	0.08	24,287	0.14
		15/07/16	Purchase	1,917	0.01	26,204	0.15
		29/07/16	Purchase	12,763	0.07	38,967	0.23
		12/08/16	Purchase	26,487	0.15	65,454	0.38
		16/09/16	Purchase	46,260	0.27	1,11,714	0.65
		23/09/16	Purchase	34,000	0.20	1,45,714	0.85
		30/09/16	Purchase	4,000	0.02	1,49,714	0.88
		07/10/16	Purchase	88,111	0.52	2,37,825	1.39
		21/10/16	Sale	(604)	(0.00)	2,37,221	1.39
		28/10/16	Sale	(678)	(0.00)	2,36,543	1.38
		04/11/16	Sale	(1,626)	(0.01)	2,34,917	1.37
		02/12/16	Purchase	362	0.00	2,35,279	1.38
		09/12/16	Purchase	226	0.00	2,35,505	1.38
		16/12/16	Purchase	1,495	0.01	2,37,000	1.39
		23/12/16	Purchase	99	0.00	2,37,099	1.39

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

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		30/12/16	Purchase	181	0.00	2,37,280	1.39
		06/01/17	Purchase	649	0.00	2,37,929	1.39
		13/01/17	Purchase	1,468	0.01	2,39,397	1.40
		20/01/17	Sale	(2,483)	(0.01)	2,36,914	1.39
		27/01/17	Purchase	495	0.00	2,37,409	1.39
		03/02/17	Purchase	356	0.00	2,37,765	1.39
		10/02/17	Purchase	265	0.00	2,38,030	1.39
		17/02/17	Sale	(132)	(0.00)	2,37,898	1.39
		03/03/17	Sale	(544)	(0.00)	2,37,354	1.39
		17/03/17	Purchase	38	0.00	2,37,392	1.39
		24/03/17	Sale	(2,479)	(0.01)	2,34,913	1.37
		31/03/17	Purchase	519	0.00	2,35,432	1.38
	At the end of the year					2,35,432	1.38

^ Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017 or during the year.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01/04/2016 or during the year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Ravi Vishwanath - CFO						
	At the beginning of the year			36,525	0.21		
	Changes during the year			-	-	36,525	0.21
	At the end of the year					36,525	0.21
2	Latika Pradhan - Independent Director						
	At the beginning of the year			15	0.00		
	Changes during the year	03/06/16	Sale	(15)	(0.00)	-	-
	At the end of the year					-	-

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

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,36,15,743	-	-	19,36,15,743
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19,36,15,743	-	-	19,36,15,743
Change in Indebtedness during the financial year				
Addition		-	-	-
Reduction	(19,36,15,743)	-	-	(19,36,15,743)
Net Change	(19,36,15,743)	-	-	(19,36,15,743)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashok Kumar Nedurumalli Managing Director	Manish Sabharwal Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	86,42,960	84,00,000	1,70,42,960
	(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)	86,42,960	84,00,000	1,70,42,960
	Ceiling as per the Companies Act, 2013	₹56,649,618		

Note: Gross salary mentioned in the table is the amount accrued during the FY 2016-17.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Latika Pradhan	Narayan Ramachandran	Raghunathan V.	
1	Independent Directors				
	Fee for attending board committee meetings	1,80,000	1,50,000	1,40,000	4,70,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1,80,000	1,50,000	1,40,000	4,70,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1,80,000	1,50,000	1,40,000	4,70,000
	Total Managerial Remuneration*				1,75,12,960
	Overall Ceiling as per the Act	Sitting Fees is within the limits specified under the Act.			

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ravi Vishwanath CFO	Mruthunjaya Murthy CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	82,84,000	22,94,936	1,05,78,936
	(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)	82,84,000	22,94,936	1,05,78,936

Note: Gross salary mentioned in the table is the amount accrued during the FY 2016-17.

VII. Penalties / Punishment/ Compounding of Offences:

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

Annexure-V

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars		
	Name and Designation	Remuneration of directors/KMPs for the financial year 2016-17	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in Remuneration in the financial year 2016-17
I & II	Ashok Kumar Nedurumalli, Managing Director	86,42,960	30.69	89.00%
	Manish Mahendra Sabharwal, Executive Director & Chairman	84,00,000	29.83	99.71%
	Gopal Jain, Non-Executive Director	-	-	NA
	Latika Pradhan, Independent Director	1,80,000	0.64	5.54%
	Narayan Ramachandran, Independent Director	1,50,000	0.53	15.07%
	Raghunathan V., Independent Director	1,40,000	0.50	54.95%
	Ravi Vishwanath, Chief Financial Officer	82,84,000	29.42	15.66%
	Mruthunjaya Murthy	22,94,936	8.15	14.59%
III	Percentage increase in the median remuneration of employees in the financial year	Median Remuneration during the year was ₹281,580. The median remuneration was decreased by 2.01%.		
IV	Number of permanent employees on the rolls of company	1241 Core Employees as on March 31, 2017		
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	a) Average increase/(decrease) in remuneration of employees other than the Managerial Personnel – (1.90)%. b) Average increase in remuneration of Managerial Personnel – 94.13%.		
X	The key parameters for any variable component of remuneration availed by the directors	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.		
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.		

Annexure-VI

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

Top 10 employees in terms of remuneration drawn during the year

Employee Name	Designation	Educational Qualification	Age	Experience (in years)	Date of commencement of employment	Remuneration in fiscal 2017 (in ₹)	Previous employment and designation
Rituparna Chakraborty	Executive Vice President	PGDM	42	16	6-Jan-03	96,60,532	Monster, Key Accounts Manager
Ashok Kumar Nedurumalli	Managing Director	B.com, PGDM	47	19	1-Jan-07	86,42,960	Director, India Life
Manish Sabharwal	Executive Chairman	B.com, MBA	47	21	1-Apr-13	84,00,000	CEO, Hewitt Outsourcing (Asia), Singapore
Ravi Vishwanath	Chief Financial Officer	B.com, FCA	54	34	14-Feb-11	82,84,000	Sun Microsystems India Private, Bangalore, Finance Director - India GEM
Rajesh Krishnan	Vice President	B.Com, PGDBA	43	20	15-Jul-15	60,33,155	ICICI Prudential, Vice President
Santosh Thangavelu	Vice President	BE, PGCHRM	43	20	4-Jan-16	57,23,006	Cognizant, Senior Director - HR
Pradeep Kumar	Vice President	M.Sc	44	20	13-Jul-15	56,93,369	Deutsche Bank Group, Vice President
Kunal Sen	Senior Vice President	B.Tech, PGDM	54	26	19-May-14	52,27,539	Stovekraft Pvt Ltd, Director - Sales and Marketing
Sushobhan Baral	Vice President Finance	B.Com	51	27	24-Jan-11	46,23,510	CPP Assistance Services Pvt Ltd, Head - Finance
Sharanabasappa Shirol	Senior Vice President	BE	42	18	14-Feb-05	42,54,356	Hewitt Outsourcing Services, Senior Software Engineer

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

CORPORATE GOVERNANCE REPORT

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At TeamLease, 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.

Recently, the Securities and Exchange Board of India (SEBI) sought to amend the equity listing agreement to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders.

The amended norms are aligned with the provisions of the Companies Act, 2013, and is aimed to encourage companies to 'adopt best practices on corporate governance'.

Company's philosophy on Corporate Governance

Corporate Governance is an effective tool to bring integrity and transparency in terms of reporting so as to protect the interest of all the stakeholders of the company. Keeping this in mind, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has laid down provisions so as to ensure that the effective Corporate Governance is implemented by the Corporates. Beyond the legal compliance TeamLease is committed to bring in effective Corporate Governance so as to ensure a strong relationship with the stakeholders by providing the truthful internal information on how the company is being run or managed. The

Management/Board of Directors is considerate to adopt the system of effective communication on the disclosures that are essential for the stakeholders through proper channels with utmost integrity and transparency. The company has adopted the philosophy of corporate governance not only to satisfy the spirit of law, but also in the spirit of the letter of law.

Board of Directors

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

Composition

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

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

Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on March 31, 2017:

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

Name of the Director	Designation	Category	No. of Directorship(s) and Committee(s) Membership(s)/ Chairmanship(s) (excluding the Company)		
			Other Directorship(s)*	Committee Membership**	Committee Chairmanship**
Mr. Gopal Jain	Non-Executive Director	Non-Executive Director	1	1	-
Mrs. Latika Pradhan	Non-Executive Independent Director	Independent Non-Executive Director	1	1	-
Mr. Narayan Ramachandran	Non-Executive Independent Director	Independent Non-Executive Director	3	-	-
Mr. Raghunathan V.	Non-Executive Independent Director	Independent Non-Executive Director	-	-	-

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

** As required by clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/chairpersonship of the audit committee and stakeholders' relationship committee in Indian public companies (listed and unlisted).

Notes:

1. None of the Directors hold Directorships in more than 20 companies including 10 public limited companies and private companies which are either subsidiary or holding company of a public company pursuant to Section 165 of the Companies Act, 2013.
2. None of the Directors hold membership in more than 10 committees or chairpersonship of more than 5 committees as required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Directorship/Committee membership is based on the disclosures received from the Directors as on March 31, 2017.
4. No director has any inter-se relationship with other Directors.
5. None of the Non-Executive Directors holds any shares in the Company as on March 31, 2017.

Board meetings

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

The Board of Directors met 7 times during the financial year 2016-17 on the following dates:

Sl. No.	Type of Meeting	Date of the meeting
1	Board Meeting	April 16, 2016
2	Board Meeting	May 23, 2016
3	Board Meeting	June 13, 2016
4	Board Meeting	August 09, 2016
5	Board Meeting	November 10, 2016
6	Board Meeting	February 02, 2017
7	Board Meeting	March 22, 2017

Attendance of Directors at Board Meetings and Annual General Meeting:

Director	No. of Board Meetings		Attendance at last AGM (August 02, 2016)
	Held during directorship	Attended	
Mr. Manish Mahendra Sabharwal	7	6	No
Mr. Ashok Kumar Nedurumalli	7	7	Yes
Mr. Gopal Jain	7	5	No
Mrs. Latika Pradhan	7	6	Yes
Mr. Narayan Ramachandran	7	5	No
Mr. Raghunathan V.	7	5	No

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

Directors' Induction and Familiarization

The provision of an appropriate induction 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 provided to Directors. The Independent Directors, from time to time, request the Management to provide detailed understanding of any specific project, activity or process of the Company. The Management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

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

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

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

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

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

Board Evaluation

In terms of the requirements of the Act and as per the guidelines issued by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out the annual performance evaluation of the Directors, Board Committees and the Board as a whole. During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members.

The Nomination and Remuneration Committee also formulated the additional criteria of independence and independent judgment for the assessment of the performance of Independent Directors with the following clauses along with other criteria such as qualification, experience relevant to the industry, knowledge & competency, fulfillment of

functions, ability to function as a team, initiative, availability and attendance, Commitment, contribution and integrity as required under the guidelines provided by SEBI in respect of Board Evaluation.

The Independent Directors had their meeting on March 22, 2017 to assess the performance of the Board and committees as a whole and for the assessment of Executive Chairman, Executive Director, Non-executive director, Board and Committees as a whole.

Committees of the Board

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

The Board had established the following Committees.

A. Audit Committee

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

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

Terms of Reference

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

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties;
- 9) Scrutinizing of inter-corporate loans and investments;
- 10) Valuing of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluating of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up there on;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Reviewing the management discussion and analysis of financial condition and results of operations;
- 21) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
- 22) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 23) Statement of Deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Details of Audit Committee Meetings

The Audit Committee met four times during the financial year ended March 31, 2017 on May 23, 2016; August 09, 2016; November 10, 2017 and February 02, 2017. 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 (Listing Obligations and Disclosure Requirements) 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	3
Mr. Gopal Jain	Member	4	3
Mr. Raghunathan V.	Member	4	4

B. Nomination and Remuneration Committee

Following members of the Board are the present members of Nomination and Remuneration Committee constituted by the Board. The Committee meets at the frequent intervals depending upon the requirements.

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

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

1. Formulating the criteria for determining qualifications, positive attributes and independence
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

of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

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 13, 2016 and February 02, 2017.

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

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

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

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

Company as well as that of the Executive Directors. During the year 2016-17 the Company paid sitting fees of ₹20,000 per Board Meeting and ITF Rupee10,000 for the committee meetings to Independent Directors for attending meetings of the Board and committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. Kindly refer MGT-9 for details of remuneration paid to Directors and KMP's of the Company.

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

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of the following Board Members:

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

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

1. Redressal of shareholders'/investors' grievances;
2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

Remuneration Policy

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

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

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

During the year under review the Committee met three times i.e., on April 4, 2016, May 4, 2016 and February 28, 2017.

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

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

Details Of Compliance Officer

Mr. Mruthunjaya Murthy, Company Secretary is the Compliance Officer of the Company. The shareholders may send their complaints to corporateaffairs@teamlease.com.

Details of shareholders' complaints

(a) Number of shareholders' complaints received during the year	: 55
(b) Number of shareholders' complaints resolved during the year	: 55
(c) Number of complaints not solved to the satisfaction of shareholders	: NIL
(d) Number of complaints pending	: NIL

GENERAL BODY MEETINGS

1. General Meeting

a) Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue	Special Resolution passed
2013-14	September 30, 2014	5:00 PM	Registered office:	NIL
2014-15	September 30, 2015	4:00 PM	Office No. 6, 3rdFloor,C Wing, Laxmi Towers Bandra (East), Mumbai 400 051	Appointment of Ashok Kumar Nedurumalli and Manish Mahendra Sabharwal as whole time directors of the company
2015-16	August 02, 2016	3:00 PM	Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai 400 050	NIL

b) Special Resolutions passed through postal ballot:

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

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

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on July 07, 2017.

Means of Communication

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

General Shareholders Information

Annual General Meeting for FY 2016-17

Day, date and time : Friday, July 07, 2017 at 3.00 PM

Venue : Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059, Maharashtra, India

Financial Year : April 01, 2016 to March 31, 2017

Date of Book Closure : As mentioned in the Notice of the AGM to be held on July 07, 2017.

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	INE985501024
BSE Limited	Floor 25, PJ Towers, Dalal Street, Mumbai - 400 001, www.bseindia.com	539658	INE985501024

Listing Fees as applicable have been paid.

Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-16	960.20	864.40	3,75,688	963.50	866.25	1,49,905
May-16	961.45	872.60	4,04,217	962.00	879.75	4,82,987
Jun-16	1,088.65	880.10	4,63,437	1,087.90	887.05	83,353
Jul-16	1,110.25	1,019.85	4,67,030	1,104.95	1,011.95	76,056
Aug-16	1,150.45	1,036.35	12,06,750	1,148.55	1,040.40	87,589
Sep-16	1,125.35	1,063.00	2,47,322	1,124.10	1,061.60	17,411
Oct-16	1,097.65	994.95	1,69,743	1,090.85	987.80	9,236
Nov-16	1,023.15	840.45	1,35,638	1,016.75	830.50	30,158
Dec-16	896.00	834.55	2,02,356	908.60	836.10	17,093
Jan-17	912.80	868.05	3,49,724	911.50	868.70	1,29,500
Feb-17	973.80	857.30	4,30,557	973.50	855.50	1,77,657
Mar-17	972.35	862.10	7,56,987	980.55	859.55	1,60,943

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



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



Registrar and Share Transfer Agent

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

M/S. KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500032.
Telangana, India.
Tel: +91 040 67162222
Fax: +91 040 23001153
Email: einward.ris@karvy.com

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

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

All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within

15 days. Grievances received from the investors and other miscellaneous correspondences relating to change of address, mandates, etc., are processed by the R & T agents within 7 days.

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

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

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

Shareholding As On March 31, 2017

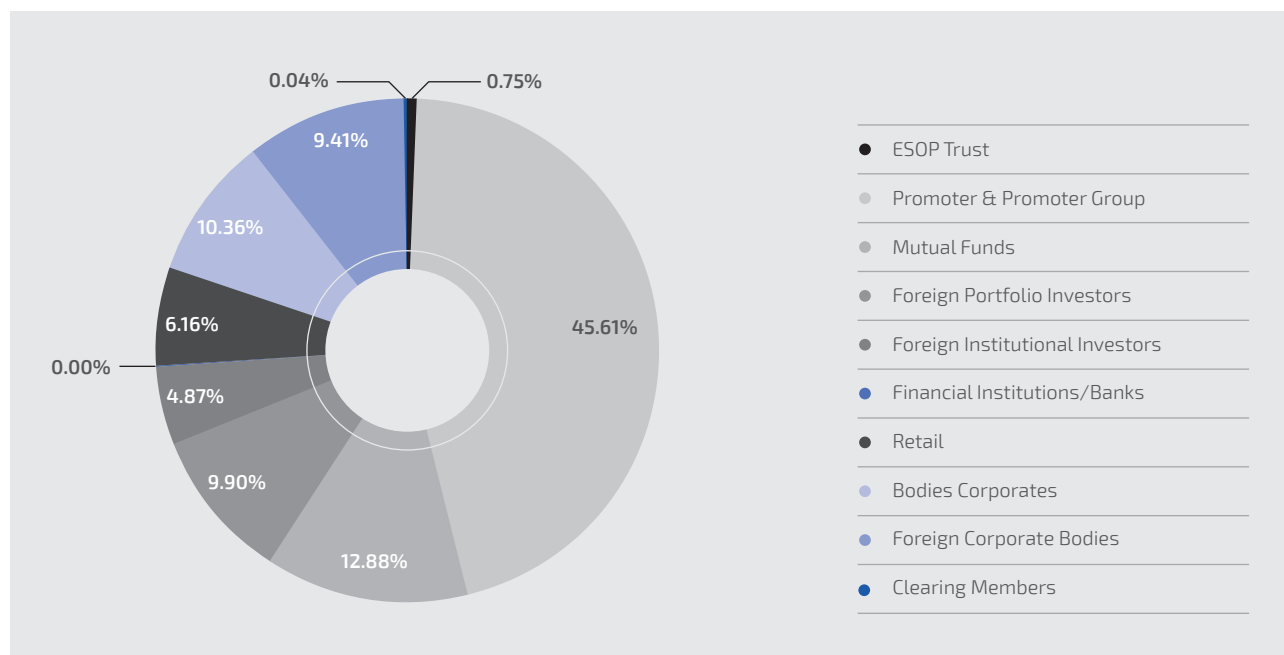
a. Distribution of equity shareholding as on March 31, 2017:

Number of shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
Upto 5000	1884700	1.10%	5691	96%
5001 - 10000	583680	0.34%	77	1%
10001 - 20000	640860	0.37%	46	1%
20001 - 30000	542280	0.32%	21	0%
30001 - 40000	267310	0.16%	8	0%
40001 - 50000	363480	0.21%	8	0%
50001 - 100000	1259120	0.74%	17	0%
100001 & above	165426260	96.76%	59	1%
Total	170967690	100	5927	100

b. Category wise shareholding as on March 31, 2017:

Category	Number of equity shares held	Percentage of holding
Promoter & Promoter Group	7,679,042	44.92%
Mutual Funds	2,960,185	17.31%
Foreign Portfolio Investors	2,389,839	13.98%
Foreign Institutional Investors	344,384	2.01%
Financial Institutions/Banks	1,369	0.01%
Retail (Individual/HUF/NRI)	863,771	5.05%
Bodies Corporates	912,828	5.34%
Foreign Corporate Bodies	1,771,299	10.36%
Clearing Members	45,859	0.27%
ESOP Trust	128,193	0.75%
Grand Total	17,096,769	100.00%

Category of shareholding



c. Top ten equity shareholders of the Company as on March 31, 2017

Sl. No	Name of the shareholder	Number of equity shareholders held	Percentage of holding
1	HR Offshoring Ventures Pte Ltd	4,571,779	26.74%
2	GPE (India) Ltd	1,771,299	10.36%
3	NED Consultants LLP	1,709,900	10.00%
4	HDFC Trustee Company Limited	1,538,093	9.00%
5	Dhana Management Consultancy LLP	1,260,278	7.37%
6	Reliance Capital Trustee Co. Ltd.	724,948	4.24%
7	Goldman Sachs India Fund Limited	700,801	4.10%
8	Gaja Trustee Company Pvt Ltd	413,519	2.42%
9	Birla Sun Life Trustee Company Private Limited	397,176	2.32%
10	Goldman Sachs Funds - Goldman Sachs Growth & Emerging Markets Broad Equity Portfolio	393,088	2.30%

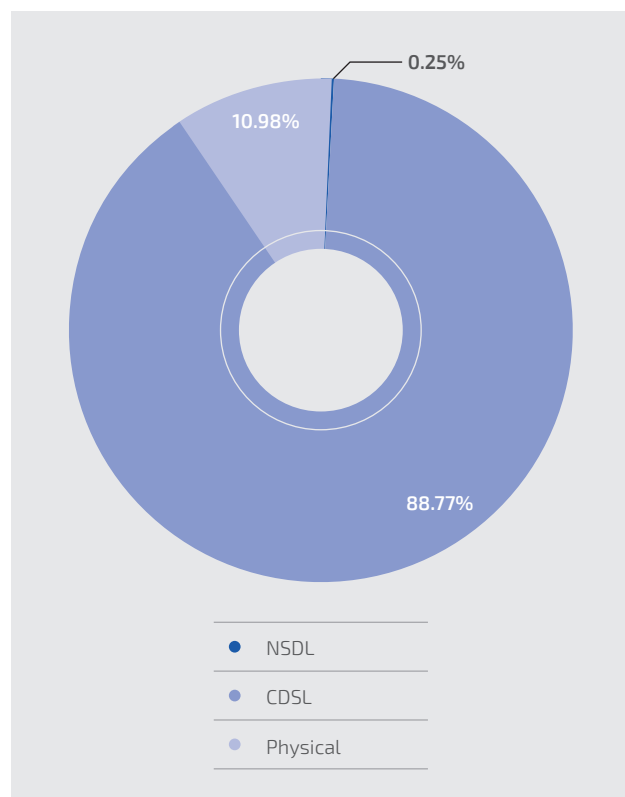
Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.75% of the Company's equity share capital are dematerialised as on March 31, 2017.

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

Shares held in dematerialised status as on March 31, 2017:

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	15177514	88.77%
Shares held in CDSL	1876678	10.98%
Shares held in Physical form	42577	0.25%

Demat status as on March 31, 2017**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, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

Branch Locations:

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

Address for correspondence:

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

Other Disclosures:**a) Related party transactions:**

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

b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2014-15, 2015-16 and 2016-17: NIL.**c) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link <http://www.teamlease.com/investors/corporate-governance/policy-documents/>.****d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements: The Company duly complied with all the mandatory requirements of the Listing Regulations. The Company has not adopted any non-mandatory requirements.****e) The Company has framed the policy on determination of the material subsidiary and accordingly none of the subsidiaries of the company fall within the ambit prescribed by the material subsidiary policy. The policy is also posted in the website of the company with the following link <http://www.teamlease.com/policy-documents>.****f) The Board of Directors in their meeting held on March 30, 2016 has approved the policy pertaining to determination and disclosure of the material events/information. Accordingly any such material events/information will be disclosed to the concerned either by Managing**

Director or Chief Financial Officer or Company Secretary. The policy on determination and disclosure of material events/information is posted in the website of the company with the following link <http://www.teamlease.com/compliance-documents/>.

g) Reconciliation of share capital audit:

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

h) Code of Conduct:

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2017. The annual report of the Company contains a certificate by the CEO and Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

i) Subsidiary companies:

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material Indian subsidiary companies.

j) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a. The auditors' report on statutory financial statements of the Company are unqualified.
- b. Mr. Manish Mahendra Sabharwal is the Chairman of the Company and Mr. Ashok Kumar Nedurumalli is the Managing Director of the Company. The Company has complied with the discretionary requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

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

Request To Shareholders

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

Demat of Shares:

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

Transfer of shares by physical mode:

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

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

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

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

Consolidation of Multiple Folios:

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

Registration of Nominations:

Section 72 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014, provides facility for making nominations by shareholders in respect of their holdings of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/ her nominees without having to go through the process of obtaining succession certificate/probate of will etc. Shareholders who have not availed nomination facility are requested to avail the same by submitting the nomination Form in SH-13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of Address:

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

Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of annual report through electronic means to such

of the shareholders whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the company or with the depositories.

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

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

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

I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Ashok Kumar Nedurumalli

Managing Director
DIN: 00151814

Place: Bangalore
Date: May 18, 2017

PRACTICING COMPANY SECRETARIES' COMPLIANCE CERTIFICATE

To
The Members of
TeamLease Services Limited

We have examined the compliance of conditions of Corporate Governance by M/s. TeamLease Services Limited ('the Company'), for the year ended on March 31, 2017, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 April, 2016 (Date of Listing on stock exchanges) to March 31, 2017.

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

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

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

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

For **M Siroya and Company**
Company Secretaries

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

Place: Mumbai
Date: May 18, 2017

CEO AND CFO CERTIFICATION

To,
The Board of Directors,
TeamLease Services Limited

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

- 1) We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report for the year ended March 31, 2017 and to the best of our knowledge and belief :
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017 are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit Committee that:
 - a. There has not been any significant change in internal control over financial reporting during the year under reference;
 - b. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bangalore
Date: May 18, 2017

Ashok Kumar Nedurumalli
Managing Director
DIN: 00151814

Ravi Vishwanath
Chief Financial Officer

BUSINESS RESPONSIBILITY REPORT

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

Section A – General Information about The Company

1. Corporate identity number (CIN) of the Company : L74140MH2000PLC124003
2. Name of the Company : TeamLease Services Limited
3. Registered address : Office No. 6, 3rd Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India
4. Website : www.teamlease.com
5. E-mail id : corporateaffairs@teamlease.com
6. Financial year reported : April 1, 2016 to March 31, 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

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

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet):

- a. Temporary Staffing
- b. Permanent Recruitment
- c. Regulatory Consulting

9. Total number of locations where business activity is undertaken by the Company:

- a. Number of International Locations : None
- b. Number of National Locations : 8

10. Markets served by the Company : India

Section B: Financial Details of the Company

(₹ in million)

Sl. No.	PARTICULARS	2016-17	
		Standalone	Consolidated
1	Paid-up Capital	170.97	170.97
2	Total Turnover	30,150.42	30,642.61
	Revenue from Operations	29,910.82	30,418.68
	Other Income	239.60	223.92
3	Profit After Tax	566.35	663.44

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

Section C: Other Details

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

No.

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

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

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

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

- b) Details of the BR head:

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

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

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

Principle 1

● Ethics, Transparency and Accountability [P1]

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

Principle 2

● Products Lifecycle Sustainability [P2]

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

Principle 3

● Employees' Well-being [P3]

Businesses should promote the well-being of all employees

Principle 4

● Stakeholder Engagement [P4]

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

Principle 5

● Human Rights [P5]

Businesses should respect and promote human rights

Principle 6

● Environment [P6]

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

Principle 7

● Policy Advocacy [P7]

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

Principle 8

● Inclusive Growth [P8]

Businesses should support inclusive growth and equitable development.

Principle 9

● Customer Value [P9]

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

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

Governance Related to BR

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Economy review

India has emerged as the fastest growing major economy in the world as per the CSO (Central Statistics Office) and IMF (International Monetary Fund). Economic activity is beginning to regain stability after the demonetization in November - December (2016-17). The quarterly GDP growth remained consistent to that of the previous quarter at 7% (previous third quarterly GDP rate 6.9% - Exhibit 1). However, demonetisation would have its impact on the overall GDP for the year, bringing it down from the previous year GDP of 7.9% (Source: CSO, 2017). The continued growth of the agriculture and public expenditure has kept the quarterly GDP rate afloat at 7%. Going ahead, with the expected reforms by the government, improved investor confidence, lower food prices and better policy reforms the Indian economy will likely grow at above 7% in the next two years.

Industry overview

Global scenario

The global staffing industry is fragmented, with a combination of large global players, few mid-level companies and several small entities. According to CIETT (International Confederation of Private Employment Services) Report 2015, 60.9 million

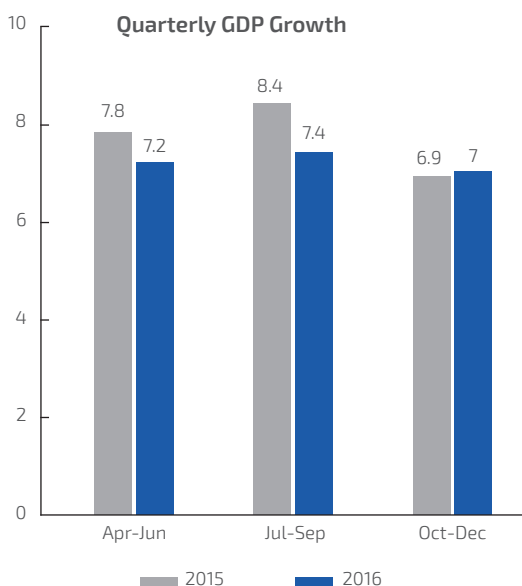
people gained access to the labour market in one form or another through the employment & recruitment industry. In agency work an increase can be seen compared to last year: from a bit more than 36 million people in 2012 to slightly over 40 million people in 2013 who worked as an agency worker at some point during the year. This means an increase of about 9.6%. In Europe, the total number of individuals went from 7.9 million to 8.7 million people.

The biggest market for agency work is still the USA with 11 million people. China is close behind with 10.8 million people, although the nature of agency work in China is not fully comparable to that in other countries. Based on 2012 data, Japan is the third biggest market with 2.4 million individuals.

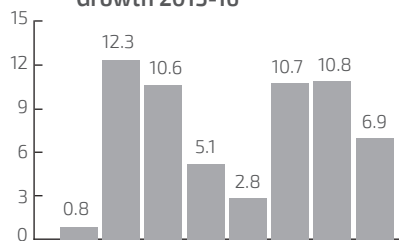
Domestic scenario

According to Indian Staffing Federation (ISF), India is fourth largest market for staffing solutions with 2.1 million temporary workers presently in the organized sector. This is expected to change by 2018, with the number rising to 2.9 million, making the country the third largest in the world. India is the world's second largest labor market with only around 10% of India's labour force works in formal employment.

Exhibit 1

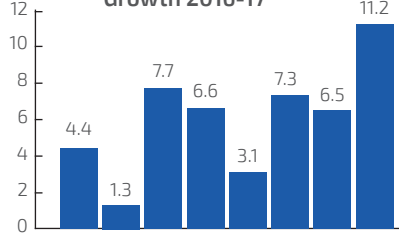


Growth 2015-16



Agriculture	0.8
Mining	12.3
Manufacturing	10.6
Power and gas	5.1
Construction	2.8
Trade, hotels & comm.	10.7
Fin & real estate	10.8
Public admin, & services	6.9

Growth 2016-17



Agriculture	4.4
Mining	1.3
Manufacturing	7.7
Power and gas	6.6
Construction	3.1
Trade, hotels & comm.	7.3
Fin & real estate	6.5
Public admin, & services	11.2

(Source: Indian Staffing Federation, HDFC Securities, 2017)

Changing dynamics of India's staffing industry

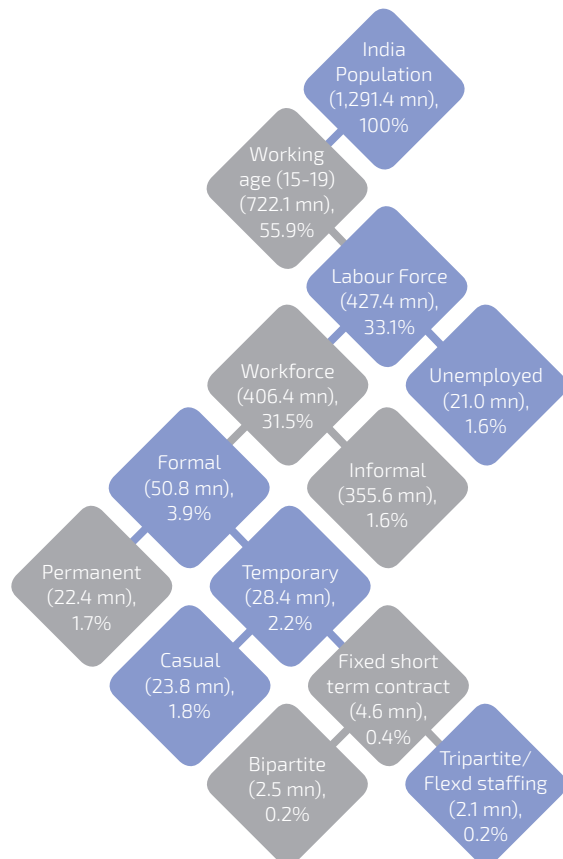
Formal employment gaining prominence

With overall workforce expected to grow at a CAGR of 2-3% till 2018-19, sectors like manufacturing, financial services, real estate, business services and retail continue to generate higher employment. There is a visible shift towards formal employment, which is expected to grow at a CAGR of 9-10% during the same period. This is on account of renewed labour laws and increasing literate workforce coming into the picture.

Flexi-staffing – new age staffing solutions

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

India employment Distribution (2015)



(Source: Indian Staffing Federation, HDFC Securities, 2017)

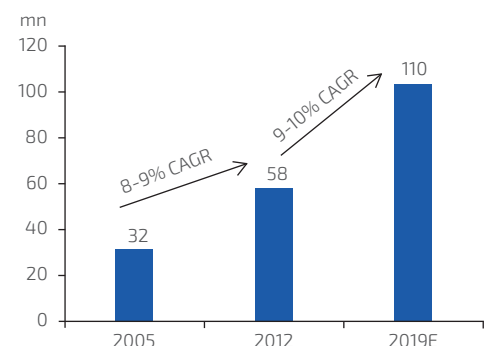
Industrialisation

Industrialisation in India has been focused on a few states, whilst those workers with the requisite skills are more widely located. This means that there are workers with inadequate skill-sets in regions where industry is concentrated, and not enough employment opportunities in their home regions for people with the appropriate skills. For instance, a large percentage of the enterprises in India are located in South and West India, yet the largest proportion of working age population belongs to North and East India. This presents opportunity for staffing solutions companies us to capitalize in bridging the gap.

Government initiatives

The Central and State Governments are providing incentives for industry to set up enterprises in relatively unindustrialised areas. Governments are also increasing the allocation of education and setting up more such institutions in less-industry intensive areas. This will enhance the skill-set of the population and hone them for the formal industry. The result of this will be new employee-catchment areas for companies and encouragement for them to set up industries in such areas.

Formal employment market size in India (excluding agriculture)



(Source: CRISIL Research, HDFC Sec Inst Research)

SCOT analysis of Indian labour market

Strengths

- Demographic advantage, with the world's youngest population in the country
- Stringent and well-framed labour laws to ensure more organized flow of workforce
- Increasing emphasis on education to create a larger skilled set of employable population
- Government initiatives like National Skills Development to boost overall unskilled labour force with knowledge and efficiency

Challenges

- Bringing jobs to people where they are located and reduce people migration
- Improving skill-sets of the workforce and ensuring employment generation
- Keep pace with rising literacy and ensure workforce preparedness with changing times
- Evolving regulatory measures to increase formalization of enterprises
- Reducing informal employment to increase social security
- Regulatory push towards formal employment; and
- Introduction of vocational education and training.

Opportunities

- Planned move for 'smart cities' to be established will create jobs in locations outside the traditional industrialised areas.
- Start-up policy and fostering 'entrepreneur' spirit will create more employment opportunities in the country
- Make in India initiative and increased incentives for the global players to set-up their manufacturing facilities in India to aid in more employment generation in manufacturing sector
- Several companies now diversifying into tier-II and tier-III cities to spread their operations, giving rise to more employment in regions less explored

Threats

- Major industries and corporate located only in few pockets of the country, resulting in increased hire and retention cost
- The macro-economic uncertainties could have an impact on the regulatory laws for employment for overseas clients
- Fragmented and unorganized players pose significant challenges in terms of creating a quality talent pool base

Industry outlook

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

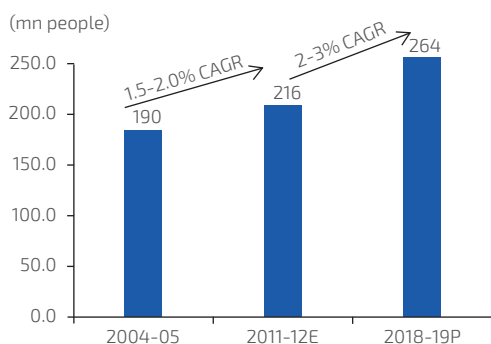
The formal workplace is expected to grow at a CAGR of 9-10% during 2011-2012 to 2018-2019. This increase will be across sectors as newer labour laws come into force and the general overall workforce grows. Apart from manufacturing, which is expected to constitute a large amount of the overall formal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

Finally, flexi-staffing is expected to grow at a CAGR of around 20-25% between 2013-2014 and 2018-2019. Although there are new upcoming sectors such as e-commerce that will

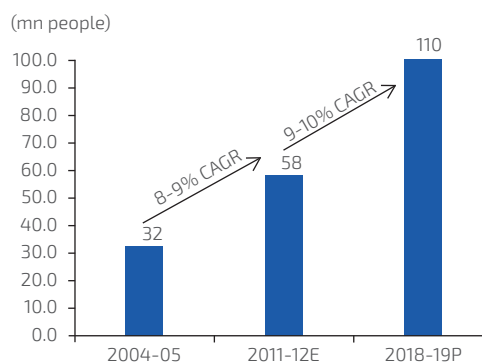
create fresh demand for flexi-staffing in India, the dominance of manufacturing (which has large proportion of unorganised players) in the industry will increase. Amendments to labour laws will increase the occurrence of flexi-staffing being used.

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

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

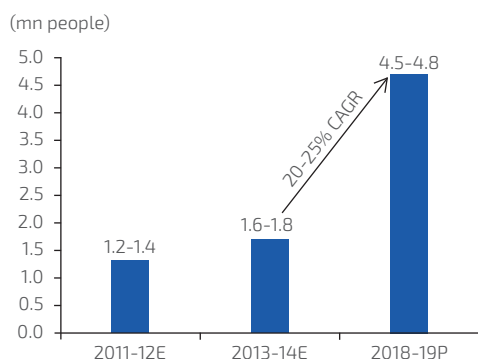


E: Estimated; P: Projected
(Source: CRISIL Research)



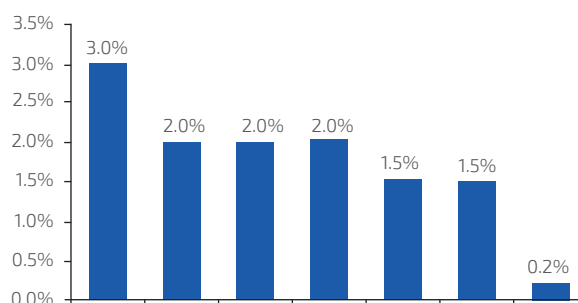
E: Estimated; P: Projected
(Source: CRISIL Research)

Total Flexi-Staffing Industry Size



3. Note: E: Estimated; P: Projected
Source: CRISIL Research

Penetration of Flexi-Staffing Industry Globally



UK 3.0%	Japan 1.5%
USA 2.0%	Austria 1.5%
Ireland 2.0%	India 0.2%
Germany 2.0%	

Source: Indian staffing federation, HDFC sec Inst Research

Risk analysis

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

Economy risk

Risk definition:

A downturn in economy or the sector may affect the operations and in turn result in reduced recruitment and employment in the industry.

Risk mitigation:

As a strategic move, we have been focusing on flexi-staffing business for more than a decade now. This provides us the cushion to manage economic uncertainties and de-risk our business model.

Competition risk

Risk definition:

A large part of the staffing industry is still unorganized. Competing with fragmented players and other global players pose a challenge to our business sustainability

Risk mitigation:

Our deep domain expertise and experience provide us the competitive edge over our peers. With a strong field force and delivery capabilities, we have been successfully able to maintain our market leadership over the years.

Regulatory risk

Risk definition:

Several laws and regulations like Minimum Wages Act, ESI Act, CLRA Act, EPF and ID Act among others govern the staffing and labour industry. Continuous changes in the laws and regulations may result in prohibition or restriction of certain types of employment services.

Risk mitigation:

Our dedicated regulatory team maintains a close watch for evolving applicable laws, regulations and compliances. Our adaptability and contingency plans help us stay on course for long-term business sustainability.

Technology risk

Risk definition:

Inability to keep pace with evolving technologies could result in our service offerings turning outdated.

Risk mitigation:

Our in-house information technology team works diligently on creating a high-end technology infrastructure framework. Our internal systems are integrated with end-to-end ERP to enable efficient operating internal environment. On the client front, we have also made substantial investment on technology to ensure a smooth workforce management solutions.

99%

Our share of flexi-staffing business in the total revenue

5%

Our market share in organized staffing solutions in India

182

The size of our regulatory and compliance team

Strategy risk

Risk definition:

In a rapidly changing environment with intense competition, an undefined strategy could result in loss of our market share

Risk mitigation:

We have laid out strategic plans for our organic growth and acquisition policy. Our recent acquisition also aligns well to our growth plans, wherein we have expanded our service offerings (IT staffing business) with the new acquisition, which integrate well to our business model. We also undertake extensive due diligence with each strategic move evaluated closely by our Board.

Financial risk

Risk definition:

Inability to generate sufficient cash flows and profits may pose threat to business sustainability

Risk mitigation:

We have recorded substantial revenue growth in the last five years leading to 2016-17. Our strong financial prudence is reflected in our healthy operating cash flows, reduced working capital, low debt levels,

Business portfolio risk

Risk definition:

Having a wide portfolio of service offerings with no synergy in business could result in loss of revenue and profitability

Risk mitigation:

Our business model stands today on three strong fundamentals or as we call it 3E's- Employment, Employability and Education. Over the years we grew as an organization on providing employment across the country. We also started setting up training and academic schools to ensure employability and education to generate more employment. This integrated business model allows us to bring more people within the employment bracket and enables us to march towards our vision of 'Putting India to Work'.

₹11.42 cr

Our investments in technology over the last five years

IT staffing

New service offering added to our portfolio post our recent acquisitions

26.86%

CAGR in revenue in last five years leading to 2016-17

Financial performance

(₹ in Crore)

Particulars	2016-17	2015-16	% growth
Total Income	3,064.26	2,520.36	22%
Total Expenditure	3,002.95	2,482.54	21%
PBT	61.31	37.82	62%
PAT	66.34	24.80	168%
EPS (₹)	38.80	15.92	144%

Analysis of Consolidated Profit & Loss Account

Gross earnings of the Company during 2016-17 increased by 22% over the previous year while expenses were contained at 21% leading to a 72% rise in Operating Profit from ₹25.78 Crore in 2015-16 to ₹44.30 Crore in 2016-17.

PAT for the year, at ₹66.34 Crore clocked a Y-o-Y growth of 168% and PBT for the same period grew by 62% to ₹61.31 Crore.

PAT margin remains a key financial matrix that defines our business sustainability and leadership. At TeamLease we maintained an industry leading PAT margin of 2.2% for the year, up from 1.0% in 2015-16.

RoE for the year under review stood at 17.41% against 8.38% in 2015-16. RoA for the year under review improved to 9.6% from 4.3% for the previous year.

Net worth

The Company's net worth was ₹381.1 Crore as on March 31, 2017, which increased by nearly 22% compared to the previous year's ₹311.6 Crore as on March 31, 2016

Reserves and surplus: The reserves and surplus increased from ₹294.5 Crore as on March 31, 2016 to ₹364 Crore as on March 31, 2017.

Gross Block

The net block of Fixed Assets of the Company increased by nearly 826% from ₹11.1 Crore as on March 31, 2016 to ₹103 Crore as on March 31, 2017.

Correspondingly, depreciation expenses increased by 42% from 3.0 Crore in 2015-16 to 4.29 Crore in 2016-17.

Intellectual capital

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

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 AUDITORS' REPORT

To the Members of TeamLease Services Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements

issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note 27(a);
- ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2017.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 38.

For **Price Waterhouse & Co Bangalore LLP**

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

Partha Ghosh

Partner

Place: Bangalore

Date: May 18, 2017

Membership Number 055913

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 007567S/ S-200012

Chartered Accountants

Partha Ghosh

Partner

Place: Bangalore

Date: May 18, 2017

Membership Number 055913

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management once in 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to this, no physical verification was carried out by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any, have been properly dealt with in the books of account.
- (c) The Company does not own any immovable properties as disclosed in Note 10 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i) (c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185. Therefore, the provisions of Clause 3(iv) of the said Order with respect to Section 185 of the Companies Act, 2013 is not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of professional tax, the Company is generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax and service tax with appropriate authorities and regular in depositing undisputed statutory dues, including sales tax, duty of customs, duty of excise, and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2017, for a period of more than six months from the date they became payable are as follows

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

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, as at March 31, 2017 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	75,705,754 #	April 2006 to December 2008	The Custom, Excise and Service Tax Appellate Tribunal
		14,941,812	April 2007 to September 2010	The Supreme Court of India
		13,928,550	August 2013 to September 2015	The Commissioner of Service Tax, Bengaluru
Income Tax Act, 1961	Tax Deducted at Source	770,794	2010-11	The Commissioner of Income Tax (Appeals)

excludes interest on service tax

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer (IPO) have been applied, on an overall basis, for the purposes for which they were obtained. There is also unutilised proceeds from IPO as on the reporting date and the same has been kept in current account and fixed deposit with the scheduled commercial banks (refer note 37 to the standalone financial statements). The Company has not raised any moneys by way of further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable with respect to further public offer (including debt instruments) and term loans.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him/her within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Partha Ghosh

Partner

Membership Number 055913

Place: Bangalore

Date: May 18, 2017

BALANCE SHEET

As at 31 March 2017

Particulars	Note	As at 31 Mar 2017	As at 31 Mar 2016
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	170,967,690	170,967,690
Reserves and Surplus	4	3,529,017,082	2,930,591,585
Non-Current Liabilities			
Other Long Term Liabilities	5	48,339,918	49,721,719
Long-Term Provisions	6	366,048,381	282,569,617
Current Liabilities			
Short-Term Borrowings	7	-	193,615,743
Other Current Liabilities	8	2,435,965,411	2,048,343,039
Short-Term Provisions	9	139,655,711	92,732,541
Total		6,689,994,193	5,768,541,934
II. ASSETS			
Non-Current Assets			
Property, Plant and Equipment - Tangible Assets	10	15,604,336	17,651,523
Intangible Assets	10	48,748,345	70,059,457
Non-Current Investments	11	990,715,296	23,715,296
Deferred Tax Asset	12	83,825,433	45,387,947
Long-Term Loans and Advances	13	1,017,152,169	610,748,092
Other Non-Current Assets	14	350,987,968	294,288,356
Current Assets			
Current Investments	15	103,116,847	-
Inventories	16	1,584,509	2,344,258
Trade Receivables	17	1,789,391,727	1,204,641,558
Cash and Bank Balances	18	1,558,216,741	2,585,820,760
Short-Term Loans and Advances	19	190,720,434	176,287,836
Other Current Assets	20	539,930,388	737,596,851
Total		6,689,994,193	5,768,541,934
Significant Accounting Policies	2		
The accompanying notes are an integral part of these Financial Statements.			

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

For and on behalf of the Board of Directors

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

Particulars	Note	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue			
Revenue from Operations (Gross)		34,321,271,834	28,509,041,505
Less: Service Tax		4,410,448,757	3,459,857,212
Revenue from Operations (Net)	21	29,910,823,077	25,049,184,293
Other Income	22	239,596,400	147,683,013
Total Revenue		30,150,419,477	25,196,867,306
Expenses			
Employee Benefits Expense	23	28,980,845,588	24,388,238,804
Finance Costs	24	8,867,961	3,921,440
Depreciation and Amortization Expense	25	39,893,609	30,076,660
Other Expenses	26	559,853,041	401,548,412
Total Expenses		29,589,460,199	24,823,785,316
Profit before Tax		560,959,278	373,081,990
Tax Expense			
Current Tax (including MAT) (Refer Note 40)		121,882,497	118,412,691
MAT Credit entitlement (Refer Note 13.1)		(121,882,497)	-
Tax Adjustment for earlier years		6,112,124	-
Deferred Tax (net)		(11,501,041)	11,811,016
Profit for the year		566,348,195	242,858,283
Earnings Per Equity Share (Nominal Value per Equity share - ₹10 (March 31, 2016- ₹10))	29		
Basic and Diluted		33.13	15.59
Significant Accounting Policies	2		
The accompanying notes are an integral part of these Financial Statements.			

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

For and on behalf of the Board of Directors

CASH FLOW STATEMENT

for the year ended 31 March 2017

Particulars	₹	
	Year Ended 31 Mar 2017	Year Ended 31 Mar 2016
A. Cash flow from Operating Activities:		
Profit before Tax	560,959,278	373,081,990
Adjustments for :		
Depreciation and amortisation expense	39,893,609	30,076,660
Interest paid bank overdraft	8,867,961	3,921,440
Dividend Income on Mutual Fund Investments	(18,342,360)	(2,304,307)
Interest income on fixed deposits	(115,539,062)	(89,200,616)
Interest income on loan to related parties	(25,707,669)	(10,033,036)
Interest from Investments in CCDs	(14,005,677)	-
Loss on sale on Property, Plant and Equipment Tangible (Net)	147,982	-
Liabilities no longer required written back	(14,686,530)	(15,483,913)
Provision for doubtful debts no longer required written back	(10,066,733)	(27,049,188)
Provision for doubtful Investment written back	(100,000)	-
Provision for doubtful advances to related party	35,000	103,924
Bad Debts written off (net of related provision for doubtful debts written back)	9,939,714	8,760,473
Sundry balances written off	186,801	653,171
Provision for service tax input credit	6,481,524	-
Provision for Bad and Doubtful Debts	41,441,099	16,401,009
Provision for gratuity	7,845,917	7,288,892
Provision for leave encashment	14,524,668	10,925,204
Operating income before working capital changes	491,875,522	307,141,703
Changes in working capital:		
Increase in other current and long-term liabilities	400,927,101	744,176,265
Increase in short term and long term provisions	108,031,349	91,437,628
(Increase) in other non-current assets	(76,903,137)	(99,930,732)
(Increase) in other current assets	189,835,239	(440,653,233)
(Increase) in trade receivable	(626,064,249)	(390,607,821)
(Increase)/decrease in inventories	759,749	(172,736)
(Increase)/ decrease in long term loans and advances	(5,886,147)	(6,482,190)
(Increase) in short term loans and advances	(20,780,209)	(51,327,006)
Cash generated from operations	461,795,218	153,581,878
Taxes (paid) / refunded (net)	(161,566,634)	(264,303,130)
Net cash (used in)/generated from Operating Activities (A)	300,228,584	(110,721,252)
B. Cash flow from Investing Activities:		
Purchase of Property, Plant and Equipment tangible and intangible (Refer Note 10.1 and 10.2 (3))	(16,974,610)	(46,736,566)
Proceeds from sale of Property, Plant and Equipment tangible and intangible	291,318	-
Investment in equity shares of Subsidiary Company	(170,100,000)	-
Investment in CCDs of Subsidiary Company	(797,000,000)	-
Proceeds from sale of Mutual Fund units	2,055,225,513	1,202,304,307
Purchase of Mutual Funds	(2,140,000,000)	(1,200,000,000)
Investment in Fixed Deposits (Net)	781,352,945	(1,195,229,407)
Proceeds from sale of subsidiaries	200,000	-
Repayment of loans and advances by related parties	434,218,943	6,940,062
Loans and advances given to related parties	(671,993,535)	(61,167,219)
Interest received on loans to related parties	24,797,238	11,683,264
Interest received on fixed deposits	137,318,743	100,818,152
Net cash (used in) investing activities (B)	(362,663,445)	(1,181,387,407)

CASH FLOW STATEMENT

for the year ended 31 March 2017

Particulars	₹	
	Year Ended 31 Mar 2017	Year Ended 31 Mar 2016
C. Cash flow from Financing Activities :		
Proceeds from/(Repayment of) Bank Overdraft (Net)	(193,615,743)	193,615,743
Proceeds from issue of equity shares (Refer Note 3.11)	-	1,499,999,250
Issue related expenses (Refer Note 37)	(1,593,254)	(120,377,368)
Interest paid on bank overdraft	(8,867,961)	(3,921,440)
Net cash generated from/(used in) Financing Activities (C)	(204,076,958)	1,569,316,185
Net increase in Cash and Cash equivalents (A+B+C)	(266,511,819)	277,207,526
Cash and Cash equivalents at the beginning of the year	492,070,830	214,863,304
Cash and Cash equivalents at the end of the year	225,559,011	492,070,830
Cash and Cash equivalents comprises of		
Cash on hand	-	-
Cheques on Hand	-	-
Balances with Banks*		
In Fixed Deposit Accounts	-	-
In Current Accounts	225,559,011	492,070,830
Cash and Cash Equivalents at the end of the year	225,559,011	492,070,830

* Refer Note 18.

Notes

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

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

For and on behalf of the Board of Directors

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

1. General Information

TeamLease Services Limited (the "Company") is an HR Services Company incorporated on February 2, 2000. The Company currently provides clients, solution for their staffing and HR requirements offering a gamut of services that include Temporary Staffing, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments.

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

2. Summary of significant accounting policies

i. Basis of preparation

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

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

ii. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and

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

iii. Property, Plant and Equipment - Tangible Assets

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

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

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

iv. Intangible Assets

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

Internal development of intangible assets are capitalised either individually or as a knowledge bank in the form of software, once their technical feasibility and ability to generate future economic benefits is established in

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

accordance with the requirement of Accounting Standard 26. Expenditure directly attributable to the development of an Intangible asset in accordance with the requirements of Accounting Standard 26 are capitalized.

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

Asset	Useful life
Computer Software	3 years

v. Borrowing Costs

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

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

vi. Impairment of Assets

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

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

vii. Investments

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

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

viii. Inventories

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

ix. Foreign Currency Translation

Initial Recognition :

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

Subsequent Recognition :

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

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

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

x. Revenue Recognition

- Revenue from sale of Manpower services is accounted on accrual basis on performance of the

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

service agreed in the Contract / Mandate Letter between the Company and its customer.

- Revenue from Recruitment Services, Skills and Development, Regulatory Services and Payroll is recognized on accrual basis upon execution of the service.
- Revenue from Royalty and Affiliation fees from Franchisee is recognized on the basis of moneys collected by the Franchisees.

Other Income:

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

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

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

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

Net Revenue excludes Service Tax and other statutory levies.

xi. Employee Benefits

a) Provident Fund

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

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the company. The Company's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

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

i) Contribution to TeamLease Provident Fund

The Company has a defined benefit plan for post employment benefits in the form of provident fund. The Company makes contribution for provident fund to the trust set up by the Company and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Company.

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

The Institute of Actuaries of India has issued the guidance note on valuation of interest rate guarantee on exempt provident funds under AS 15 (revised) which is effective from April 1, 2011. Accordingly, the provident fund liability has been determined by an independent actuary as at March 31, 2017. The actuarial valuation approach used by the independent actuary for measuring the liability is the Deterministic Approach which calculates the defined benefit obligation of all accrued and accumulated provident fund contributions as at the valuation date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

(ii) Contribution to Government Provident Fund

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

b) Gratuity

The Company's gratuity scheme (the "Gratuity Plan") is a defined benefit plan covering eligible employees

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

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

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

c) Compensated absences

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

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

xii. Current and Deferred Tax

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

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised

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

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

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

xiii. Provisions and Contingent Liabilities

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

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

xiv. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

operating leases are charged to the Statement of Profit and Loss based on the terms of the agreement and the effect of lease equalisation is not given considering the increment is on account of inflation factor.

xv. Segment Reporting

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

xvi. Cash and Cash Equivalents

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

xvii. Earnings Per Share

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

3 SHARE CAPITAL

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Authorised		
23,300,000 (Previous Year 23,300,000) Equity shares of ₹10 each (Refer Note 3.8)	233,000,000	233,000,000
170,000 (Previous Year: 170,000) 12% Cumulative Convertible Redeemable Preference Shares of ₹100 each	17,000,000	17,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid-Up		
17,096,769 Equity Shares of ₹10 each fully paid up (Previous Year: 17,096,769)	170,967,690	170,967,690
	170,967,690	170,967,690

3.1 Reconciliation of the number of shares

Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
	Number of Shares	₹	Number of Shares	₹
Equity Shares				
Balance as at the beginning of the year	17,096,769	170,967,690	5,110,688	5,110,688
Add: Issue of Bonus shares (Refer Note 3.9 & 3.10)	-	-	148,209,952	148,209,952
Add: Issue of Equity Shares (Refer Note 3.12)	-	-	1,764,705	17,647,050
Less: Consolidation of Equity shares (Refer Note 3.10)	-	-	(137,988,576)	-
Balance as at the end of the year	17,096,769	170,967,690	17,096,769	170,967,690

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

3.2 Rights, Preferences and restrictions attached to shares

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, except in case of interim dividend.

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

Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
	Number of Shares	% holding	Number of Shares	% holding
Equity Shares				
HR Offshoring Ventures Pte Limited	4,571,779	26.74	5,426,579	31.74
GPE (India) Limited	1,771,299	10.36	1,771,299	10.36
NED Consultants LLP	1,709,900	10.00	855,100	5.00
HDFC Trustee Company Limited	1,538,093	9.00	-	-
Dhana Management Consultancy LLP	1,260,278	7.37	1,379,886	8.07
IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	-	-	1,022,137	5.98

- 3.4** There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust, as on March 31, 2017 and for the previous year.
- 3.5** There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended March 31, 2017.
- 3.6** There are no shares bought back by the Company during the period of five years immediately preceding the year ended March 31, 2017.
- 3.7** There are no securities that are convertible into equity / preference shares.
- 3.8** The shareholders of the Company on April 02, 2015 approved for increase of the Authorized Share Capital from ₹27,000,000 to ₹150,000,000 divided into 133,000,000 equity shares of ₹1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of ₹100 each by way of additional 123,000,000 equity shares of ₹1 each. Further, on June 25, 2015, the shareholders of the Company approved for increase of the Authorized Share Capital from ₹150,000,000 to ₹250,000,000 divided into 233,000,000 equity shares of ₹1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of ₹100 each by way of additional 100,000,000 equity shares of ₹1 each. Accordingly, the Authorized Share Capital of the Company is increased to ₹150,000,000 effective from April 02, 2015 and further increased to ₹250,000,000 effective from June 25, 2015 comprising 23,300,000 equity shares of ₹10 each and 170,000 preference shares of ₹100 each.
- 3.9** On June 25, 2015, pursuant to the provisions of the Companies Act, 2013, the shareholders of the Company approved for issue and allotment of 29 Bonus Equity Shares of ₹1 each for every equity share of ₹1 each held by the members as on that date of this meeting and accordingly a sum of ₹148,209,952 is capitalized out of the Company's Securities Premium Account outstanding as on June 30, 2015 and transferred to the Share Capital Account towards issue of fully paid-up bonus shares pursuant to which the paid-up Capital of the Company has increased from ₹5,110,688 to ₹153,320,640 and the balance in the Securities Premium account reduced to ₹1,003,220,349 (also Refer Note 3.10).
- 3.10** During the previous year ended March 31, 2016, the Company had issued 148,209,952 bonus shares out of securities premium account thereby increasing the number of equity shares to 153,320,640 of ₹1 each and every 10 equity shares of ₹1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to ₹10 per share. Accordingly total 153,320,640 shares of ₹1 each post-bonus have been consolidated into 15,332,064 shares of ₹10 each by reducing 137,988,576 number of shares w.e.f July 10, 2015.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

3.11 During the previous year ended March 31, 2016, Directors of the Company i.e., Ashok Reddy, Manish Sabharwal and Mohit Gupta formed three Limited Liability Partnership firms namely NED Consultants LLP, MKS Management Consultancy Services LLP and Dhana Management Consultancy LLP. Post consolidation of equity shares, HR Offshoring Ventures Pte Limited (HROV) transferred 1,379,886 equity shares to Dhana Management Consultancy LLP, 1,709,900 equity shares to NED Consultants LLP, 300 equity shares to MKS Management Consultancy Services LLP, 201,114 equity shares to the ESOP Trust of the Company. Pursuant to these transfers, the shareholding of HROV in the Company reduced to 26.74% as on March 31, 2017 (Previous Year 31.74%).

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

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

3.13 During the previous year ended March 31, 2016 the Board of Directors of the Company on August 03, 2015 approved to cancel the previous ESOP Scheme which was issued by the Company on July 27, 2011 and to implement new "TeamLease Employee Stock Option Plan 2015" ("ESOP 2015 scheme") which has been formulated and the existing ESOP Trust has been re-constituted in line with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014, provisions of the Articles of Association of the Company and Companies Act, 2013 and Rules. The shareholders of the Company approved the ESOP 2015 Scheme on July 10, 2015. All unvested and unexercised ESOPs granted to employees under the previous ESOP scheme have been cancelled with effect from August 03, 2015. TeamLease Employee Stock Option Plan Trust (the "Trust") has granted 97,170 options on October 01, 2015 to the employees of the Company and 29,470 options on October 01, 2016, which is out of the transfer of 201,114 equity shares by HROV. Since the options are issued by the Trust and not by the Company, there is no impact on the Financial Statements of the Company towards grant / allotment of ESOP. Refer Note 34 for further details.

4 RESERVES AND SURPLUS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Securities Premium Account		
Balance as at the beginning of the year	2,365,195,181	1,151,430,301
Add: Issue of Equity Shares (Refer Note: 3.12)	-	1,482,352,200
Less : Issue of Bonus shares (Refer Note: 3.9)	-	(148,209,952)
Add: Tax benefit on IPO Expenses adjusted (Refer Note: 12.1)	33,670,556	-
Less : Amount utilised for share issue expenses (Refer Note 37)	(1,593,254)	(120,377,368)
Balance as at the end of the year	2,397,272,483	2,365,195,181
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	565,396,404	322,538,121
Add : Profit for the year	566,348,195	242,858,283
Balance as at the end of the year	1,131,744,599	565,396,404
Total	3,529,017,082	2,930,591,585

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

5 OTHER LONG-TERM LIABILITIES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Statutory Payables (Refer Note 35)	42,190,282	42,190,282
Other Liabilities	6,149,636	7,531,437
Total	48,339,918	49,721,719

6 LONG-TERM PROVISIONS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Provision for Employee Benefits		
Gratuity Payable		
- Core Employees (Refer Note 32 (a))	19,285,587	15,913,077
- Associate Employees (Refer Note 32 (d))	329,876,816	252,973,679
Leave Encashment Payable (Refer Note 6a below)	16,885,978	13,682,861
Total	366,048,381	282,569,617
Note 6a: Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the year ended March 31, 2017 and March 31, 2016.		

7 SHORT-TERM BORROWINGS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Secured Loans		
Bank Overdraft (Refer Note 7.1)	-	193,615,743
Total	-	193,615,743

7.1 Schedule of Short Term Borrowings

(repayable on demand)	Rate of Interest	₹	
		As at 31 Mar 2017	As at 31 Mar 2016
Secured*			
HDFC Bank	10.50%	-	193,615,743
Total		-	193,615,743

*The Company has Overdraft facilities from Bank secured by lien on fixed deposits of ₹360,740,730 (Previous year ₹250,000,000).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

8 OTHER CURRENT LIABILITIES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Sundry Creditors*	90,575,882	87,254,298
Employees Benefits Payable (Refer Note 36)	1,264,982,400	1,150,518,452
Statutory dues	468,341,665	408,926,090
Advance from Customers	124,783,915	121,077,825
Book Overdraft	222,907,650	72,527,409
Other Liabilities	264,373,899	208,038,965
Total	2,435,965,411	2,048,343,039

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

9 SHORT-TERM PROVISIONS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Provision for Employee Benefits		
Gratuity Payable		
- Core Employees (Refer note 32 (a))	9,094,518	7,597,952
- Associate Employees (Refer note 32 (d))	120,987,632	77,330,032
Leave Encashment Payable (Refer note 6a)	9,573,561	7,804,557
Total	139,655,711	92,732,541

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

10.1

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1 Apr 2016	Additions	Deletions/ Adjustments	Cost As at 31 Mar 2017	As at 1 Apr 2016	For the year Deletions/ Adjustments	As at 31 Mar 2017	As at 31 Mar 2016
A. Property, Plant and Equipment – Tangible Assets								
Office Equipments	36,621,820	2,791,635	372,616	39,040,839	26,952,701	4,433,279	31,013,364	9,669,120
Computers	61,623,003	844,398	-	62,467,401	59,064,863	1,324,688	60,389,551	2,558,140
Furniture & Fixtures	13,359,101	1,504,230	-	14,863,331	8,984,872	1,577,250	10,562,122	4,374,229
Vehicles	2,362,309	1,055,491	974,058	2,443,742	1,312,275	468,425	1,245,942	1,050,034
Total	113,966,233	6,195,754	1,346,674	118,815,314	96,314,711	7,803,642	103,210,978	17,651,523
B. Intangible assets								
COMS Software	16,370,995	-	-	16,370,995	16,370,995	-	-	-
Goodwill	4,000,000	-	-	4,000,000	4,000,000	-	-	-
Software – ALCS 10.0	70,518,073	-	-	70,518,073	11,785,212	23,506,024	35,291,236	58,732,861
Software – Others	108,153,061	10,779,608	-	118,932,669	96,826,465	8,584,696	105,411,161	11,326,596
Total	199,042,129	10,779,608	-	209,821,737	128,982,672	32,090,720	161,073,392	70,059,457
Grand Total	313,008,362	16,975,362	1,346,674	328,637,051	225,297,383	39,894,362	264,284,370	87,710,980

Note:

- (1) There is no revaluation of assets during the year.
- (2) There are no adjustments to Tangible/Intangible Assets on account of borrowing costs and exchange differences.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

10.2

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1 Apr 2015	Additions	Deletions/ Adjustments	Cost As at 31 Mar 2016	As at 1 Apr 2015	For the year Deletions/ Adjustments	As at 31 Mar 2016	As at 31 Mar 2015
A. Property, Plant and Equipment – Tangible Assets								
Office Equipments	29,253,307	7,368,513	-	36,621,820	21,652,002	5,300,698	26,952,701	9,669,120
Computers	58,709,253	2,913,750	-	61,623,003	57,759,798	1,305,065	59,064,863	2,558,140
Furniture & Fixtures	10,607,264	2,751,837	-	13,359,101	5,758,530	3,226,342	8,984,872	4,374,229
Vehicles	2,362,309	-	-	2,362,309	846,191	466,084	1,312,275	1,050,034
Total	100,932,133	13,034,100	-	113,966,233	86,016,521	10,298,189	96,314,711	17,651,523
B. Intangible assets								
COMS Software	16,370,995	-	-	16,370,995	16,334,725	36,270	16,370,995	36,270
Goodwill	4,000,000	-	-	4,000,000	4,000,000	-	4,000,000	-
Software - ALCS 10.0 (Refer Note 3 below)	-	70,518,073	-	70,518,073	-	11,785,212	11,785,212	-
Software - Others	103,101,394	5,051,667	-	108,153,061	88,869,477	7,956,988	96,826,465	14,231,917
Total	123,472,389	75,569,740	-	199,042,129	109,204,202	19,778,470	128,982,672	14,268,187
C. Intangible Assets under development								
Software - ALCS (Refer Note 3 below)	41,867,275	28,650,798	70,518,073	-	-	-	-	41,867,275
Software - Mobile App	-	-	-	-	-	-	-	-
Total	41,867,275	28,650,798	70,518,073	-	-	-	-	41,867,275
Grand Total	266,271,797	117,254,638	70,518,073	313,008,362	195,220,723	30,076,660	87,710,980	71,051,074

Note:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

11 NON-CURRENT INVESTMENTS

Particulars	Face Value ₹	As at 31 Mar 2017		As at 31 Mar 2016	
		Number	₹	Number	₹
Equity Shares					
Other than Trade Investments (At Cost)					
Investment in Subsidiaries					
Unquoted Equity Instruments (Fully paid-up)					
IIJT Education Private Limited (IIJT)	10	8,000,000	243,353,076	8,000,000	243,353,076
TeamLease Education Foundation (TLEF)	10	10,000	100,000	10,000	100,000
National Employability Apprenticeship Services (NEAS) (Refer Note 11.2)	10	-	-	10,000	100,000
India Tourism & Hospitality Skills Education Private Limited (ITHS) (Refer Note 11.2)	10	-	-	10,000	100,000
TeamLease Staffing Services Private Limited (TSSPL) (Refer Note 11.3 and 11.4)	10	3,410,000	170,100,000	-	-
Unquoted debentures - TSSPL (Refer Note 11.4)					
9% Series A Compulsory Convertible Debentures		686	686,000,000	-	-
9% Series B Compulsory Convertible Debentures	1,000,000	111	111,000,000	-	-
Less: Provision for Diminution in the Value of Investments (Refer Note 11.1)	1,000,000		(219,837,780)		(219,937,780)
Total			990,715,296		23,715,296
Aggregate Value of Unquoted Investments -At Book Value			1,210,553,076		243,653,076
Aggregate provision for diminution in the value of Investments			219,837,780		219,937,780

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

11.2 On December 27, 2016, the Company has disposed off 100% of its investments in the equity shares of India Tourism and Hospitality Skills Education Private Limited ("ITHS") and National Employability Apprenticeship Services ("NEAS") at ₹100,000 each, resulting into no gain/(loss) in the transaction. Accordingly, ITHS and NEAS ceases to be subsidiary of the Company.

11.3 During the year ended March 31, 2017, the Company incorporated a wholly owned subsidiary ("WOS") in the name of TeamLease Staffing Services Private Limited ("TSSPL") by subscribing to 10,000 equity shares face value of ₹10. The WOS got Certificate of Incorporation on July 04, 2016. Through this WOS, the Company acquired ASAP Info Systems Private Limited ("ASAP"), a company incorporated under Companies Act, 1956 w.e.f. September 01, 2016 at an agreed consideration of ₹670,000,000. This includes contingent consideration up to ₹100,500,000 lakhs depending upon the performance of ASAP and the same if any, will be appropriately accounted for at the time of certainty of the amount i.e. as at August 31, 2017. Further, TSSPL signed a definitive agreement on September 20, 2016 to acquire Nichepro Technologies Private Limited ("Nichepro"), a company incorporated under Companies Act, 1956 at an agreed consideration of ₹295,000,000. The control of Nichepro got transferred on completion of transaction on October 01, 2016. On January 16, 2017, the Company through TSSPL signed a definitive agreement to acquire Keystone Business Solutions Private Limited ("Keystone"), a company incorporated under Companies Act, 1956 at an agreed consideration of ₹82,000,000. The control of Keystone got transferred to TSSPL on February 01, 2017.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

- 11.4** On December 30, 2016, the Company was allotted by TSSPL, 3,400,000 equity shares @ ₹50 per share (Face Value of ₹10 per share) and 686 Series "A" Compulsory Convertible Debentures ('CCD') of ₹1,000,000 each bearing interest @9% payable annually. On March 30, 2017, the Company was further allotted 111 Series "B" CCD of ₹1,000,000 each bearing interest @9% payable annually, aggregating investment in TSSPL to ₹967,100,000. The debentures are convertible into equity shares on or before 10 years from the date of allotment. On maturity date, the CCDs will be converted into appropriate number of equity shares of the Company for a price not less than ₹50 per equity share.

12 DEFERRED TAX ASSET

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Deferred Tax Asset:		
Provision for bad and doubtful debts	20,640,219	10,747,181
Difference between Book and Tax Depreciation	24,003,977	19,067,703
Amortization of IPO Expenses (Refer Note: 12.1)	20,202,333	-
Provision for employee benefits		
--Gratuity	9,821,787	8,136,697
--Leave Encashment	9,157,117	7,436,366
Total	83,825,433	45,387,947

- 12.1** During the previous year ended March 31, 2016, the Company had adjusted share issue expenses with the securities premium account. During the year ended March 31, 2017, deferred tax asset of ₹33,670,556 related to share issue expenses has been recognized and adjusted with the securities premium account which is pertaining to previous year. Accordingly, tax expense for the year ended March 31, 2017, includes adjustments on account of current income tax reversal and reversal of deferred corresponding deferred tax charge for previous year of ₹6,734,111 (Net impact is ₹ NIL). Further, deferred tax asset of ₹6,734,111 has been reversed which is pertaining to tax benefit for the current year.

13 LONG-TERM LOANS AND ADVANCES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Unsecured, considered good (unless otherwise stated)		
Security Deposits		
Rental Deposits	59,903,747	59,116,951
Other Deposits	16,070,698	12,398,908
Other loans and advances		
Prepaid Expenses	3,952,007	2,478,915
Balances with Service Tax Authorities	6,481,524	6,481,524
Less: Provision created during the year	(6,481,524)	-
Loans and Advances to Related Parties (Refer Note 19.1)	394,030,954	149,033,320
Capital Advances	-	232,332
Minimum Alternative Tax "MAT" Credit Entitlement (Refer Note 13.1 below)	121,882,497	-
Balances with Income Tax Authorities (Net of provision for tax ₹308,305,636 (Previous Year ₹193,651,290))	421,312,266	381,006,142
Total	1,017,152,169	610,748,092

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

13.1 Particulars

Particulars	Amount	Amount
Current Tax (MAT)	121,882,497	-
Less: MAT Credit Entitlement	(121,882,497)	-
Net Current Tax	-	-

14 OTHER NON-CURRENT ASSETS

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Long-Term Trade Receivables		
Unsecured considered doubtful	24,195,193	16,443,887
Less: Provision for Doubtful Debts	(24,195,193)	(16,443,887)
	-	-
Fixed Deposits with banks with maturity period more than 12 months from reporting date *	20,084,385	40,345,130
Others		
Interest accrued on Fixed Deposits	1,026,767	969,547
Reimbursement right for Gratuity (Refer note 32 (d))	329,876,816	252,973,679
Total	350,987,968	294,288,356

* Fixed deposits of ₹18,320,036 as at March 31, 2017 (Previous year ₹40,345,130) is under lien with various banks for the Guarantee issued to third parties on behalf of the Company. Refer Note 27 (c).

15 CURRENT INVESTMENTS

Particulars	No. of Units	NAV	As at 31 Mar 2017	As at 31 Mar 2016
Mutual Funds (Unquoted):				
"HDFC Short Term Plan - Monthly Dividend Reinvestment (5115190.39 Units; PY: NIL Units)"	5115190.39	10.3443	52,913,064	-
"ICICI Prudential Liquid Plan Daily Dividend Reinvestment (501541.802 Units; PY: NIL Units)"	501541.80	100.0989	50,203,783	-
Total			103,116,847	-
Aggregate Value of Unquoted Investments - At Book Value			103,116,847	-

16 INVENTORIES

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
At Cost:		
Course ware	1,584,509	2,344,258
Total	1,584,509	2,344,258

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

17 TRADE RECEIVABLES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Unsecured, Considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment (Refer Note 36)	152,380,882	55,938,703
Others	1,637,010,845	1,148,702,855
Total	1,789,391,727	1,204,641,558
Unsecured, Considered doubtful		
Outstanding for a period less than 6 months from the date they are due for payment	35,444,830	14,610,150
Less: Provision for Doubtful Debts	(35,444,830)	(14,610,150)
Total	1,789,391,727	1,204,641,558

18 CASH AND BANK BALANCES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
(a) Cash And Cash equivalents		
Balances with banks:		
In Current Accounts (Refer Note 37B)	225,559,011	492,070,830
	225,559,011	492,070,830
(b) Other Bank Balances		
In Fixed Deposit Accounts (Refer Note 37B)	1,278,832,960	1,283,705,787
(maturity within 12 months from the date of acquisition)#		
Fixed Deposit Accounts	53,824,770	810,044,143
(Maturity more than 12 months but within one year from the reporting date) *		
Total	1,558,216,741	2,585,820,760

* Fixed deposits of ₹405,120,225 as at March 31, 2017 (Previous year ₹250,044,142) which are under lien with various banks for the Overdraft facilities and Guarantees issued by the Bank on behalf of the Company, Refer Note 27 (c).

Fixed deposits of ₹22,615,027 as at March 31, 2017 (Previous year ₹43,705,787) which is under lien, kept as securities with banks for the Overdraft facilities and Bank Guarantees, Refer Note 27 (c).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

19 SHORT-TERM LOANS AND ADVANCES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Unsecured considered good		
Other Loans and Advances		
Advances recoverable in Cash or in kind or for value to be received	29,200,460	12,719,465
Loans and Advances to Related Parties (Refer Note 19.1)	80,882,819	87,230,430
Prepaid Expenses	53,220,470	45,749,090
Rental Deposits	4,191,416	4,899,289
Other Deposits	21,190,000	21,190,000
Advances to Staff	2,035,269	4,499,562
Unsecured considered doubtful		
Loans and Advances to Related Parties	2,368,637	2,333,637
Less: Provision for doubtful loans and advances	(2,368,637)	(2,333,637)
Total	190,720,434	176,287,836

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

(Refer note 31)	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Loans to Related Parties:		
TLEF *	287,364,337	140,064,337
TSSPL**	106,666,617	-
Advances to Related Parties:		
IIJT	8,130,293	12,760,574
TLEF	72,470,370	74,228,700
TLSU	-	8,968,983
NEAS	282,156	241,156
ITHS	2,368,637	2,333,637
Less: Provision for doubtful advances	(2,368,637)	(2,333,637)
Total	474,913,773	236,263,750

* The above loan has been given for its principal business purpose i.e. sponsoring of TeamLease Skills University ("TLSU") at an Interest rate of 9% per annum. The Company has revisited its repayment schedule, earlier the repayment would commence after enrolling a minimum of 3000 students on campus with TLSU. However, now TLSU is expected to break even by end of Financial Year 2018 and accordingly repayment of ₹2,500,000 per quarter would commence from start of Financial Year 2019. In addition to above, TLSU has TDS Receivables of ₹150,677,418 till end of Financial Year March 31, 2017. The entire refund from Income Tax authorities shall be remitted to TeamLease towards repayment of outstanding loan within 30 days of such receipts.

**Loan to TSSPL is given for the purpose of meeting the principal business requirements bearing interest rate @ 9% p.a. repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

20 OTHER CURRENT ASSETS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Interest accrued on Fixed Deposits	14,524,133	36,361,034
Interest accrued on CCD	14,005,677	-
Unbilled revenue	390,412,946	623,905,785
Reimbursement right for Gratuity (Refer note 32 (d))	120,987,632	77,330,032
Total	539,930,388	737,596,851

21 REVENUE FROM OPERATIONS

Particulars (Net of Service Tax)	₹	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Sale of Services (Refer Note 36)	29,314,021,459	24,681,869,398
Other Operating Revenue		
Recruitment		
- Permanent Recruitment	175,588,270	142,710,499
- Temporary Recruitment	28,210,661	24,100,661
Skills and Development	166,346,877	62,672,578
Royalty and Affiliation Income	4,187,798	10,846,222
Income from Regulatory Services	111,674,728	75,190,245
Payroll Income	110,793,284	51,794,690
Total	29,910,823,077	25,049,184,293

22 OTHER INCOME

Particulars	₹	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest on Fixed Deposits	115,539,062	89,200,616
Interest on loans to related parties	25,707,669	10,033,036
Interest from investments in CCDs	15,561,863	-
Interest on income Tax Refunds	32,817,411	-
Liabilities no longer required written back	14,686,530	15,483,913
Provision for doubtful Debts No Longer Required Written Back	10,066,733	27,049,188
Provision for doubtful Investment written back (Refer Note 11.2)	100,000	-
Dividend Income on Mutual Funds	18,342,360	2,304,307
Miscellaneous Income	6,774,772	3,611,953
Total	239,596,400	147,683,013

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

23 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Salaries, Wages and Bonus	26,812,800,030	22,617,715,864
Contribution to Provident and Other Funds (Refer Note 32 (b) and (c))	1,991,908,504	1,636,545,255
Gratuity (Net of Reimbursement Right) (Refer Note 32 (a), 32(d) and 32 (e))	7,845,917	7,288,892
Leave Encashment*	14,524,668	10,925,204
Employee Insurance	134,892,679	98,448,223
Staff Welfare	16,911,089	15,105,090
Staff Training Expenses	1,962,701	2,210,276
Total	28,980,845,588	24,388,238,804

* Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the Year Ended March 31, 2017 and March 31, 2016.

Provident Fund Trust

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

Gratuity

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

Leave Encashment

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

24 FINANCE COSTS

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest on Loans		
- Banks Overdraft	8,867,961	3,921,440
Total	8,867,961	3,921,440

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

25 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Depreciation	7,802,889	10,298,189
Amortisation	32,090,720	19,778,471
Total	39,893,609	30,076,660

26 OTHER EXPENSES

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Courseware Consumed	1,868,842	1,618,208
Rent	118,224,153	99,297,953
Rates and Taxes	6,087,959	2,327,243
Fines and Penalties	6,069	763,262
Electricity	16,870,619	13,893,413
Traveling and Conveyance	47,851,087	39,369,466
Repairs and maintenance		
- Leasehold Premises	1,199,335	1,085,892
- Others	69,794,721	50,132,008
Printing and Stationery	24,429,163	19,324,978
Communication	54,978,099	44,520,102
Legal and professional	53,944,150	46,948,129
Auditors' Remuneration (Refer Note 26.1)	6,542,603	4,788,019
Insurance - Others	2,486,531	2,221,136
Advertisement and Business Promotion	14,553,008	13,962,359
Security Charges	8,315,024	6,730,081
Brokerage	-	537,185
Bank Charges	2,514,851	1,509,688
Sundry balances written off	186,801	653,171
Bad Debts written off	12,728,094	29,882,145
Less: Related Provision for Doubtful Debts Written Back	(2,788,380)	(21,121,672)
Provision for Bad and Doubtful Debts	41,441,099	16,401,009
Provision for doubtful advances to related party	35,000	103,924
Provision for service tax input credit	6,481,524	-
Office Expenses	288,680	551,116
Fees and Certification Charges	836,710	2,732,085
Foreign Exchange Loss (Net)	80,884	68,730
Directors Sitting Fees	470,000	391,250
Training Expenses	70,213,433	22,807,532
Donation	65,000	50,000
Loss on sale of Fixed Assets (Net)	147,982	-
Total	559,853,041	401,548,412

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26.1 Auditors' Remuneration

Particulars	₹	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Statutory Audit Fees	3,600,000	3,500,000
Tax Audit Fees	600,000	600,000
Other Services	1,850,000	500,000
Reimbursement of expenses	492,603	188,019
Total	6,542,603	4,788,019

In addition to above provision for the previous year ended March 31, 2016, the Company had paid Auditor's Remuneration of ₹15,771,992 towards Initial Public Offer ('IPO') of equity shares to the Statutory Auditors of the Company. The aggregate amount paid (including for the prior year ended March 31, 2015) in respect of the IPO amounted to ₹18,019,192. Out of the aggregate amount paid, the Company had recovered ₹11,712,475 from the selling shareholders and ₹6,306,717 had been adjusted with the Securities Premium as share issue expenses.

26.2 Gross amount required to be spent by the Company towards corporate social responsibility expense (CSR) during the year is ₹6,111,792 (Previous Year ₹4,084,379). The Company has not spent any amount towards CSR expenditure and also has not created any provision thereof during the year and previous year. Accordingly, the movement in provision during the year is Nil.

27 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability

- With respect to Employee State Insurance ("ESI") demand raised in 2006, the Company had furnished documents in the prior years to justify no ESI liability for the balance amount of ₹504,467 (Previous Year ₹504,467), which is pending for approval from ESI department.
- The Company had received Demand Order in the prior years under section 201(1) and 201(1A) of the Income Tax Act, 1961 for tax deducted at source of ₹770,794 (Previous Year ₹770,974) for the Assessment Year 2010-11. The Company had filed appeal against the aforesaid demand in the prior years with the Commissioner of Income Tax (Appeals). The matter is pending as on date.
- The Company has received Demand Order under section 156 of the Income Tax Act, 1961 of ₹2,965,803 for the Assessment Year 2013-14. The Company has filed appeal against the aforesaid demand on October 29, 2016 with the Commissioner of Income Tax (Appeals). The matter is pending as on date.
- The Company had received a demand of ₹14,941,812 (Previous year: ₹14,941,812) inclusive of penalty during the prior years from the Commissioner of Service Tax disallowing the cenvat availed against Group Medical Insurance and Personal Accident Policy for the period from October 2010 to July 2013. The said demand was disposed off in the Company's favor by Central Excise and Service Tax Appellate Tribunal (CESTAT). The Commissioner of Service Tax Department had filed the case against this CESTAT order with the Hon'ble High court of Karnataka, Bangalore ('High Court'). This petition was disposed off by the High court on April 2, 2014 in Company's favor. In May 2015, the Commissioner of Service Tax Department had filed a petition with Supreme Court of India for condonation of delay in filing the special leave to appeal. Against this petition, condonation is granted by Supreme Court of India and there has been no further update as of the reporting date. Further on April 19, 2016, the Company received show cause notice from the Commissioner of Service Tax, Bengaluru in respect of the above matter for the period from August 2013 to September 2015 for an amount of ₹13,928,550. The Company has responded against the show cause notice on June 17, 2016 and have not received any further communication from the Commissioner of Service Tax, Bengaluru.
- During the prior year, the Company has provided a corporate guarantee on behalf of TeamLease Skills University ('TLSU') to Tata Capital Financial Services Limited ("TCFSL") whereby the Company has guaranteed all the obligations of TLSU under the Operating Lease Agreement between TCFSL and TLSU dated July 24, 2014 executed in relation to the lease of computer equipment by TCFSL to TLSU of value not exceeding ₹20,000,000 (Previous year ₹20,000,000).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

27 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

- vi. Pursuant to the amendment of Payment of Bonus Act, 1965, the Company considers statutory bonus of ₹334,933,022 in respect of the financial year 2014-15 as contingent liability. This is based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1.4.2014 in respect of statutory bonus has not been recognised. As per the contractual agreement with the customers, ₹333,296,946 in respect of associate employees is recoverable from the customers in case this liability arises.

(b) Capital Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advance of ₹ NIL) as at March 31, 2017 is ₹ NIL and (Previous Year ₹739,214).

(c) Other Commitments

Guarantees given by banks against Fixed Deposits as at March 31, 2017 is ₹82,867,169 (Previous year ₹75,996,838)

	₹	
Guarantees against Fixed Deposit	As at 31 Mar 2017	As at 31 Mar 2016
National Stock Exchange of India Limited	21,200,000	21,200,000
REC Transmission Projects Company	500,000	-
REC Power Distribution Company Ltd	17,500,000	15,290,000
Development Support Agency of Gujarat	-	15,190,000
TATA Capital Financial Services Ltd	13,699,624	10,915,138
Uttar Pradesh Skill Development Society	6,436,648	3,280,207
Rural Electrification Corporation Ltd (RECL)	2,000,000	2,000,000
Director, Uttar Pradesh Skill Development Society	1,348,125	1,944,000
The State Project Director Rashtriya Madhyamik Shiksha Abhiyan	1,057,500	1,057,500
The Mission Director, Mission for Elimination of Poverty in Municipal Areas (MEPMA) Telangana	1,000,000	1,000,000
Gateway Rail Freight Limited	8,025,000	1,000,000
TATA Capital Financial Services Ltd., (Previously Macquarie Finance (India) Pvt Ltd)	-	604,799
The Director Municipal Admistrat Urban Development Dept, Govt. of Jharkhand	505,500	505,500
Kerala Academy for skills excellence (KASE)	500,000	500,000
The Centre for Entrepreneurship Development(CED)	250,000	500,000
Additional Skill Acquisition Programme	-	343,560
Mission Director Jharkhand Skill Development Mission	230,300	230,300
Director General of Employment and Training	-	200,000
Employment Through Skills Training & Placement	135,812	135,812
ONGC Petro Additions Limited	-	100,022
CIL India Limited	115,000	-
Dept Of Sales Tax Maharashtra State	6,000,000	-
EDCIL (India) Limited	100,000	-
The Additional Skill Acquisition Programme (ASAP) Thiruvananthapuram-Kerala	315,000	-
State Urban Livelihood Mission	400,000	-
Power Grid Corporation Of India Ltd	1,300,000	-
Municipal Commissioner (Municipal Corporation Dhanbad)	248,660	-
Total	82,867,169	75,996,838

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

28 EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
(a) Expenditure in Foreign Currencies		
License Fees	14,677,297	446,316
Foreign Travel	196,343	-
Total	14,873,640	446,316

29 EARNINGS PER SHARE

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Profit attributable to Equity shareholders	566,348,195	242,858,283
Weighted average number of Equity Shares:		
- For Basic and Diluted (Refer Note 3.12)	17,096,769	15,577,966
Nominal Value of Equity Shares (Refer Note a below)	10	10
Earning per Share (EPS) (In Rupees) (Refer Note a below)		
- Basic and Diluted (Face Value of ₹10 each)	33.13	15.59

Note a: During the previous year ended March 31, 2016, the Company has issued 148,209,952 bonus shares thereby increasing the number of equity shares to 153,320,640 of ₹1 each and every 10 equity shares of ₹1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to ₹10 per share. Accordingly total 153,320,640 shares of ₹1 each post-bonus have been consolidated into 15,332,064 shares of ₹10 each by reducing 137,988,576 number of shares. Accordingly, Basic and Diluted earning per share has been adjusted for the year ended March 31, 2016 presented above in line with the Accounting Standard (AS)- 20 "Earnings per share" (Refer Note 3.8 and 3.9).

30 LEASES

- The Company has taken on operating lease office premises at various locations. The agreements are executed for a period ranging from 1 year to 9 years. Rents are accounted as per agreement and the effect of lease equalisation are accepted based on the inflation factor.
- Rent payments are recognised in the Statement of Profit and Loss under the head "Rent" in Note 26 "Other Expenses" for the year ended March 31, 2017 amounting to ₹118,224,153 (Previous year: ₹99,297,953).
- The future minimum lease payments under non-cancellable operating lease are as below:

Minimum Lease Rental Payable	As at 31 Mar 2017	As at 31 Mar 2016
Within 1 year	27,769,329	61,970,393
Later than one year but not later than 5 year	46,615,821	71,493,150
More than 5 years	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

31 RELATED PARTY DISCLOSURE

Nature of Relationship	Name of the Party
(a) Related parties where control exists:	
<u>Subsidiary Companies</u>	
Subsidiary Companies - Direct	IIJT Education Private Limited ('IIJT') TeamLease Education Foundation ('TLEF') TeamLease Staffing Services Private Limited ('TSSPL') India Tourism and Hospitality Skills Education Private Limited ('ITHS')* National Employability Apprenticeship Services ('NEAS') * *Refer Note 11.2
Subsidiary's - Subsidiary Companies (Refer Note 11.3)	ASAP Info Systems Private Limited ('ASAP') Nichepro Technologies Private Limited ('NPTPL') Keystone Business Solutions Private Limited ('KBSPL')
(b) Other Related Parties:	
Key Management personnel & their relatives	Mr. Manish Sabharwal - Chairman & Promoter Mr. Ashok Kumar Nedurumalli - Managing Director & Promoter Mr. Ravi Vishwanath - Chief Financial Officer Mr. Mohit Gupta - Director (Resigned w.e.f July 31, 2015) Mr. Mruthunjaya Murthy- Company Secretary (w.e.f. May 07, 2015) Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath
Enterprises over which key Management Personnel are able to exercise significant influence with whom transactions have taken place	Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') India Life Capital Private Limited ('ILCPL') HR Offshoring Ventures Pte Limited ('HROV') (Refer Note 3.11)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

Nature of Transactions		Name of Related Party	Subsidiary Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		TOTAL
			As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017
Issuance of Equity Shares Issue of bonus shares (Refer Note 3.9)		HROV	-	-	-	-	-	77,490,900	-
		HANSINI	-	-	-	-	-	1,270,606	-
		Ravi Vishwanath	-	-	-	255,925	-	-	-
			-	-	-	255,925	-	78,761,506	-
		TLEF	202,300,000	59,500,130	-	-	-	-	202,300,000
		IJIT	500,000	-	-	-	-	-	500,000
		TSSPL	1,355,700,000	-	-	-	-	-	1,355,700,000
		ASAP	57,378,627	-	-	-	-	-	57,378,627
			1,615,878,627	59,500,130	-	-	-	-	1,615,878,627
Total Loans and advances given to related parties Repayment of loans/advances by related parties		IJIT	5130,281	6,696,652	-	-	-	-	5130,281
		TLEF	73,655,762	-	-	-	-	-	73,655,762
		ASAP	57,837,504	-	-	-	-	-	57,837,504
		TSSPL	288,626,413	-	-	-	-	-	288,626,413
		TLSU	-	-	-	-	8,968,983	243,410	8,968,983
			425,249,960	6,696,652	-	-	8,968,983	243,410	434,218,943
			170,000,000	-	-	-	-	-	170,000,000
			797,000,000	-	-	-	-	-	797,000,000
			967,000,00	-	-	-	-	-	967,000,000
Total Loan converted Interest Income on loans and debentures to related parties		TLEF	18,655,762	10,033,036	-	-	-	-	18,655,762
		TSSPL - Loan	6,593,030	-	-	-	-	-	6,593,030
		TSSPL - debentures	15,561,863	-	-	-	-	-	15,561,863
		ASAP	458,877	-	-	-	-	-	458,877
			41,269,532	10,033,036	-	-	-	-	41,269,532
Total-Interest on loans to related parties Other Receipts and Payments Service Charges / Rent Income		ILCPL	-	-	-	-	-	-	-
		IJIT	300,000	240,000	-	-	3,864,000	2,208,000	3,864,000
		TLEF	7,537,500	1,012,000	-	-	-	-	300,000
		NPTPL	1,800,000	-	-	-	-	-	7,537,500
		ASAP	372,000	-	-	-	-	-	1,800,000
			-	-	-	-	-	-	372,000
			-	-	-	-	98,879,850	42,295,424	98,879,850
Total-Service charges/rental income			10,009,500	1,252,000	-	-	102,743,850	44,503,424	112,753,350
									45,755,424

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

Nature of Transactions	Name of Related Party	Subsidiary Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		TOTAL
		As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	
Other Expenses (reimbursement received)	IJIT	30,293	-	-	-	-	30,293	-
	NEAS	41,000	104,086	-	-	-	41,000	104,086
	TLEF	16,911	441,135	-	-	-	16,911	441,135
	HANSINI	-	-	-	-	180,000	180,000	-
	TSSPL	1,717,094	-	-	-	-	1,717,094	-
	TLSU	-	-	-	-	-	-	20,321
	ILCPL	-	-	-	-	61,003	61,003	48,744
Total-Other Expenses	ITHS	35,000	103,924	-	-	-	35,000	103,924
		1,840,298	649,145	-	-	241,003	2,081,301	718,210
Consultancy Fee	ILCPL	-	-	-	-	2,040,000	2,040,000	540,000
Services Charges	TLSU	-	-	-	-	6,617,411	6,617,411	4,157,148
	ILCPL	-	-	-	-	1,763,200	1,763,200	-
	ASAP	1,027,075	-	-	-	-	1,027,075	-
Total consultancy/services paid		1,027,075	-	-	-	8,657,411	9,684,486	4,697,148
Remuneration to Key Management Personnel	Ashok Kumar Nedurumalli	-	-	8,642,960	4,572,950	-	8,642,960	4,572,950
	Manish Sabharwal	-	-	8,400,000	4,206,000	-	8,400,000	4,206,000
	Mohit Gupta	-	-	-	2,194,738	-	-	2,194,738
	Ravi Vishwanath	-	-	8,284,000	7,162,624	-	8,284,000	7,162,624
	Mruthunjaya Murthy	-	-	2,294,936	2,002,763	-	2,294,936	2,002,763
Total-Remuneration to Key Management Personnel		-	-	27,621,896	20,139,075	-	27,621,896	20,139,075
Provisions made in respect of advances to subsidiary	ITHS (Refer Note 26)	35,000	103,924	-	-	-	35,000	103,924
Provisions written back in respect of investments in subsidiary	ITHS (Refer Note 11.2)	100,000	-	-	-	-	100,000	-
Rent Paid	Asha Vishwanath	-	-	600,000	600,000	-	600,000	600,000
OUTSTANDING BALANCES		-	-	-	-	-	-	-
Receivables	Loans and Advances Receivable (Inclusive of Interest) (Refer Note 19.1)	8,130,293	12,760,574	-	-	-	8,130,293	12,760,574
		106,666,617	-	-	-	-	106,666,617	-
		359,834,707	212,534,707	-	-	-	359,834,707	212,534,707
		-	-	-	-	-	-	8,968,983
	ASAP	-	-	-	-	-	-	-
	NEAS	282,156	241,156	-	-	-	282,156	241,156
Total-Loans and advances Receivables	ITHS (Net of Provision)	-	-	-	-	-	-	-
		474,913,773	225,536,437	-	-	-	474,913,773	234,505,420

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

Nature of Transactions	Name of Related Party	Subsidiary Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		TOTAL	
		As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016
Trade/other Receivables									
	TLSU	-	-	-	-	73,474,018	48,354,399	73,474,018	48,354,399
	TLEF	5,605,793	2,917,070	-	-	-	-	5,605,793	2,917,070
	IJJT	115,000	-	-	-	-	-	115,000	-
	NPTPL	472,500	-	-	-	-	-	472,500	-
	TSSPL	764,863	-	-	-	-	-	764,863	-
	ASAP	65,100	-	-	-	-	-	65,100	-
	ILCPL	-	-	-	-	403,438	491,146	403,438	491,146
Total Receivables		7,023,256	2,917,070	-	-	73,877,456	48,845,545	80,900,712	51,762,615
Sundry Creditors									
	ASAP	1,037,443	-	-	-	-	-	1,037,443	-
	ILCPL	-	-	-	-	178,500	-	178,500	-
Total - Sundry Creditors		1,037,443	-	-	-	178,500	-	1,215,943	-
Investments in Subsidiaries - Equity									
	TLEF	100,000	100,000	-	-	-	-	100,000	100,000
	ITHS* (Refer Note 11.2)	-	-	-	-	-	-	-	-
	NEAS (Refer Note 11.2)	-	100,000	-	-	-	-	-	100,000
	TSSPL (Refer Note 11.1)	170,100,000	-	-	-	-	-	170,100,000	-
	IJJT* (Refer Note 11)	23,515,296	23,515,296	-	-	-	-	23,515,296	23,515,296
Total- Investments in Subsidiaries - Equity		193,715,296	23,715,296	-	-	-	-	193,715,296	23,715,296
Investments in Subsidiary - CCD									
		797,000,000	-	-	-	-	-	797,000,000	-
Total- Investments		990,715,296	23,715,296	-	-	-	-	990,715,296	23,715,296
Total Other Receipts and Payments		1,472,652,325	252,168,803	-	-	73,877,456	57,814,528	1,546,529,781	309,983,331
*Net of provision for diminution in the value of Investments									
Guarantees given (Refer Note 27 (a) (v))	TLSU	-	-	-	-	20,000,000	20,000,000	20,000,000	20,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

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

Disclosure relating to actuarial valuation of Gratuity:

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
I. Assumptions		
Discount Rate	6.74% p.a.	7.40% p.a.
Expected Return On Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	7% p.a	7% p.a
Attrition	36% p.a.	36% p.a.
Retirement	58 yrs.	58 yrs.
II. Change in Present Value Benefit Obligation:		
Present Value Of obligation at the beginning of the year	23,511,029	18,800,942
Adjustment to present value	-	-
Interest Cost	1,484,324	1,295,854
Current Service Cost	7,442,039	6,376,531
Past Service Cost	-	-
Benefits Paid	(2,976,841)	(2,578,805)
Transfer In	-	-
Actuarial (gain) loss on Obligation	(1,080,446)	(383,493)
Present Value Of obligation at the end of the year	28,380,105	23,511,029
III. Change in Fair Value Plan Assets:		
Fair value of plan Assets beginning of the year	-	-
Expected Return on plan assets	-	-
Contributions	2,976,841	2,578,805
Benefits Paid	(2,976,841)	(2,578,805)
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
IV. Actuarial gain (loss) recognized	1,080,446	383,493
V. Balance Sheet Recognition		
Present Value Of Obligation	28,380,105	23,511,029
Fair Value Of Plan Assets	-	-
Liability (assets)	28,380,105	23,511,029
Unrecognised Past Service Cost	-	-
Liability (asset) recognised in the Balance Sheet	28,380,105	23,511,029

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 a) EMPLOYEE BENEFITS - GRATUITY (Un-funded) (Contd..)

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
VI. Expenses Recognition		
Current Service Cost	7,442,039	6,376,531
Interest Cost	1,484,324	1,295,854
Expected Return On plan assets	-	-
Net Actuarial (gain) recognised in the year	(1,080,446)	(383,493)
Past Service Cost	-	-
Expenses Recognised in the statement of Profit and Loss	7,845,917	7,288,892
VII. Movements in the liability recognised in Balance Sheet		
Opening net Liability	23,511,029	18,800,942
Adjustment to Present Value	-	-
Expenses	7,845,917	7,288,892
Contribution	(2,976,841)	(2,578,805)
Transfer In	-	-
Closing Net Liability	28,380,105	23,511,029
VIII. Current and Non-Current Liability		
Current	9,094,518	7,597,952
Non-current	19,285,587	15,913,077
IX. Experience adjustment		
Experience adjustment	(1,530,880)	(664,001)
Assumption Change	450,434	280,508
Total experience adjustment	(1,080,446)	(383,493)

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

Particulars	₹		
	Gratuity		
	31 Mar 2015	31 Mar 2014	31 Mar 2013
Benefit Obligation	18,800,942	16,609,959	14,894,355
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	(1,450,996)	(1,543,451)	(887,204)
Experience adjustment on Plan Assets	NA	NA	NA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

b) EMPLOYEE BENEFITS - PROVIDENT FUND

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Balance in Reserves and Surplus as per TeamLease Services Limited Employees Provident Fund Trust *	467,535,083	389,704,959
Provident Fund Obligations *	11,291,949	13,343,162
Discount Rate (per annum)	6.66%	7.35%
Average historic yield on the investment portfolio	9.17%	9.17%
Appropriate term (in years)	5 Years	5 Years
Remaining term to maturity of PF portfolio (in years)	5.79 Years	6.52 Years
Discount rate for the remaining term to maturity of the investment portfolio (per annum)	-	-
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

* No Liability has been provided as the balances in the Reserves and Surplus as aforesaid is more than the Provident Fund Obligation.

Disclosures included are limited to the extent of disclosures provided by the actuary.

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

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Employers contribution to Provident Fund	1,427,238,407	1,193,628,692
Employees State Insurance Corporation	542,679,430	424,506,234
Provident Fund Administrative charges	21,990,667	18,410,329
Total	1,991,908,504	1,636,545,255

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 d) EMPLOYEE BENEFITS - GRATUITY (Un-funded)

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

Disclosure relating to actuarial valuation of Gratuity of associate employees:

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
I. Assumptions		
Discount Rate	6.56% p.a.	7.35% p.a.
Expected Return on Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	9% p.a	10% p.a
Attrition	43% p.a.	43% p.a.
Retirement	58 yrs.	58 yrs.
II. Change in Present Value Benefit Obligation:		
Present Value Of obligation at the beginning of the year	330,303,711	228,731,275
Adjustment to present value	-	-
Interest Cost	19,444,076	15,037,369
Current Service Cost	75,276,038	61,243,265
Past Service Cost	-	-
Benefits Paid	(67,800,233)	(48,282,435)
Transfer In	-	-
Actuarial (gain) loss on Obligation	93,640,856	73,574,237
Present Value Of obligation at the end of the year	450,864,448	330,303,711
III. Change in Fair Value Plan Assets:		
Fair value of plan Assets beginning of the year	-	-
Expected Return On plan assets	-	-
Contributions	67,800,233	48,282,435
Benefits Paid	(67,800,233)	(48,282,435)
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
IV. Actuarial gain (loss) recognized	(93,640,856)	(73,574,237)
V. Balance Sheet Recognition		
Present Value Of Obligation	450,864,448	330,303,711
Fair Value Of Plan Assets	-	-
Liability (assets)	450,864,448	330,303,711
Liability and assets recognised in the Balance Sheet	450,864,448	330,303,711
VI. Expenses and Income Recognition		
Current Service Cost	75,276,038	61,243,265
Interest Cost	19,444,076	15,037,369
Expected Return On plan assets	-	-
Net Actuarial loss recognised in the year	93,640,856	73,574,237
Past Service Cost	-	-
Expenses and Income Recognised in the statement of Profit and Loss	188,360,970	149,854,871

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 d) EMPLOYEE BENEFITS - GRATUITY (Un-funded) (Contd..)

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
VII. Movements in the liability and asset recognised in Balance Sheet		
Opening net Liability and asset	330,303,711	228,731,275
Adjustment to Present Value	-	-
Expenses and Income	188,360,970	149,854,871
Contribution	(67,800,233)	(48,282,435)
Closing Net Liability and asset	450,864,448	330,303,711
VIII. Current and Non-Current Liability and asset		
Current	120,987,632	77,330,032
Non-current	329,876,816	252,973,679
IX. Experience adjustment		
Experience adjustment	91,369,446	62,598,899
Assumption Change	2,271,410	10,975,338
Total experience adjustment	93,640,856	73,574,237

- e) The employee benefits expense towards gratuity and related reimbursement right for associate employees for year ended March 31, 2017 is ₹188,360,970 (Previous year ₹149,854,871) have been netted off in the Statement of Profit and Loss.

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

Particulars	₹		
	Gratuity		
	31 Mar 2015	31 Mar 2014	31 Mar 2013
Benefit Obligation	228,731,275	156,875,654	103,786,940
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	40,168,152	30,715,196	8,349,763
Experience adjustment on Plan Assets	NA	NA	NA

33 SEGMENT REPORTING

(a) Business Segment:

The business segment has been considered as the primary segment.

The Company is primarily engaged in the business of providing manpower services. The Company had earlier disclosed reportable segments as "Staffing Operations", "Recruitment Operations" and "Training Operations" for the year ended March 31, 2016. With effect from April 01, 2016, based on the risk, rewards and nature, the Company has revised the business segments into the following broad categories, which in context of Accounting Standard 17 on 'Segment Reporting' constitute reportable segments:

- a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under unallocated expenses/income.

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

Consequently, previous year's figures have been reclassified to conform to the current reportable segments of the Company.

Information about primary business segment

	Staffing and Allied Services		Other HR Services		Unallocated		TOTAL	
Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016
(i) Segment Revenue								
External Revenue	29,453,025,404	24,757,764,749	457,797,673	291,419,544	-	-	29,910,823,077	25,049,184,293
Liabilities no longer required written Back	12,369,906	11,245,391	-	-	2,316,624	4,238,522	14,686,530	15,483,913
Add: Interest / Dividend income	-	-	-	-	207,968,365	101,537,959	207,968,365	101,537,959
Add: Other Income	2,303,591	1,766,434	8,175,267	26,113,646	6,462,647	2,781,061	16,941,505	30,661,141
Total Revenue	29,467,698,901	24,770,776,574	465,972,940	317,533,190	216,747,636	108,557,542	30,150,419,477	25,196,867,306
(ii) Segment Results	401,343,712	312,099,667	31,462,411	27,509,300	128,153,155	33,473,023	560,959,278	373,081,990
Income Taxes (Current and Deferred Tax) including adjustment of earlier year taxation	-	-	-	-	(5,388,917)	-	(5,388,917)	130,223,707
Profit after tax	401,343,712	312,099,667	31,462,411	27,509,300	133,542,072	33,473,023	566,348,195	242,858,283
(iii) Segment Assets	2,582,662,727	2,151,449,447	176,380,860	148,966,881	3,930,950,607	3,468,125,606	6,689,994,193	5,768,541,934
Total Assets	2,582,662,727	2,151,449,447	176,380,859	148,966,881	3,930,950,607	3,468,125,606	6,689,994,193	5,768,541,934
(iv) Segment liabilities	2,690,952,070	2,319,148,416	78,195,819	59,750,112	220,861,531	288,084,131	2,990,009,421	2,666,982,659
Total liabilities	2,690,952,070	2,319,148,416	78,195,819	59,750,112	220,861,531	288,084,131	2,990,009,421	2,666,982,659
(v) Capital Expenditure	-	28,650,798	-	-	16,974,610	18,085,768	16,974,610	46,736,566
(vi) Depreciation/Amortization	35,435,852	25,112,033	4,457,757	4,964,627	-	-	39,893,609	30,076,660
(vii) Non Cash Expenditure other than Depreciation	-	-	-	-	80,602,705	44,132,673	80,602,705	44,132,673

(b) Geographical Segment:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

Name of the Scheme	TeamLease Employee Stock Option Plan 2015	
	Tranche - I	Tranche - II*
Date of grant	1-Oct-15	1-Oct-16
Number Granted	97,170 (post issue of bonus shares)	29,470
Exercise Price	₹10	₹10
Vesting period	1-4 years	2-4 years
Vesting conditions	25% on expiry of 12 months from grant date	44% on expiry of 12 months from grant date
	25% on expiry of 24 months from grant date	48% on expiry of 12 months from grant date
	25% on expiry of 36 months from grant date	5% on expiry of 12 months from grant date
	25% on expiry of 48 months from grant date	3% on expiry of 12 months from grant date

* During the financial year ended March 31, 2017, Tranche II scheme was approved by Board of Directors and Nomination and Remuneration Committee and the same is subject to shareholders approval in the ensuing Annual General Meeting.

B. Movement in the options granted to Employee

Particulars	Number of Options
Outstanding at start of the year	97,170
Granted*	29,470
Forfeited	-
Vested	97,170
Exercised	31,467
Outstanding at end of year	29,470
Exercisable at end of year	-

35 During the prior years, TeamLease received service tax Order for ₹37,850,377 from Commissioner of Central Excise. As per the Order there is a penalty of equivalent amount. Further, interest at the applicable rate has also been levied. The management has already filed an appeal against this Order. The penalty and interest has neither been accounted for nor disclosed as contingent liability in the financial statements since in the opinion of the management and based on the legal opinion obtained from a Service Tax Practitioner, possibility of outflow of funds are remote. The appeal is pending before the Tribunal, Kolkata, which is yet to come up for hearing.

36 During the previous year ended March 31, 2016, Payment of Bonus Act, 1965 ("the Act") has been amended by the Payment of Bonus (Amendment) Act, 2015. The Company has recognized additional statutory bonus of ₹261,866,742 for the year ended March 31, 2016 forming part of salaries, wages and bonus with a corresponding amount included in provision for employee benefits payable as at March 31, 2016. Based on the contractual agreements with the customers, the amount in respect of associate employees is recoverable from them with the stated mark-ups and accordingly, revenue from sale of services to the tune of ₹266,732,063 (net of service tax) had been recognised with a corresponding amount included in unbilled revenue of ₹305,408,213 with service tax thereon as at March 31, 2016. During the year ended March 31, 2017, the Company has raised the invoice for the aforesaid unbilled revenue. Out of the total invoice raised, ₹142,004,505 is recoverable from client and also the corresponding amount of bonus liability appearing in provision for employee benefits payable. There are stay orders from various High Courts on the applicability of the Act. Considering the same, there have delays on receipt of the said billed amounts from clients. The Company has obtained legal opinion on the said matter and is confident of recovering the said amounts as per the contractual agreements alongwith consequential payments to the respective employees on legal determination of the above matters by relevant judicial authorities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

37 A) Amount utilised for share issue expenses

Amount utilised for share issue expenses of ₹121,970,622 includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

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

Particulars	₹
Issue Proceeds	1,499,999,250
Less: Issue Expenses till March 31, 2016	120,377,368
Less: Additional Issue Expenses in March 31, 2017	1,593,254
Net Proceeds of IPO	1,378,028,628
Amount Utilised as per the objects of the issue as per prospectus	886,470,838
Funds to be utilised (remain invested in current account and fixed deposits with banks)	491,557,790
Amount invested in the Fixed Deposit Accounts	490,000,000
Balance lying in Current Accounts	1,557,790
Total	491,557,790

38 Disclosure relating to Specified Bank Notes (SBNs) held and transacted during the period November 08, 2016 to December 30, 2016

Particulars	SBNs	Other denomination notes	₹ Total
Closing cash in hand as on November 08, 2016	214,000	21,002	235,002
(+) Permitted receipts	-	1,573,438	1,573,438
(-) Permitted payments	-	1,496,362	1,496,362
(-) Amount deposited in Banks/Exchanged	214,000	-	214,000
Closing cash in hand as on December 30, 2016	-	98,078	98,078

39 Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015

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

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Balance as at the year end		
-IIJT Education Private Limited	8,130,293	12,760,574
-TeamLease Education Foundation	359,834,707	212,534,707
-National Employability Apprenticeship Services	282,156	241,156
-TeamLease Staffing Services Pvt. Ltd	106,666,617	-
Total	474,913,773	225,536,437
Maximum amount outstanding at any time during the year		
-IIJT Education Private Limited	12,760,574	19,206,426
-TeamLease Education Foundation	376,624,894	225,976,301
-National Employability Apprenticeship Services	282,156	345,242
-TeamLease Staffing Services Pvt. Ltd	618,164,731	-
Total	1,007,832,355	245,527,969

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

39 Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015: (contd..)

(ii) Loans and advances in the nature of loans to firms/companies in which directors are interested

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Balance as at the year end	NIL	NIL
Maximum amount outstanding at any time during the year	NIL	NIL

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

40 As per the amendment in the Finance Act 2016, deduction under section 80JJAA was extended across to all sectors. The Company has taken the benefit during the current year and the benefit will be available to the Company for the next two assessment years subject to fulfilment of the conditions. As a result of this, the Company is required to pay MAT as per Section 115JB of the Income Tax Act, 1961.

41 Previous Year Figures

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

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

Signatures to Note Number 1 to 41 forming part of the Financial Statements.

For **Price Waterhouse & Co Bangalore LLP**
Firm Registration Number: 0075675 / S- 200012
Chartered Accountants

For and on behalf of the Board of Directors

Partha Ghosh
Partner
Membership No: 055913

Ashok Kumar Nedurumalli
Managing Director
DIN: 00151814

Latika Pradhan
Director
DIN: 07118801

Place : Bangalore
Date : May 18, 2017

N. Ravi Vishwanath
Chief Financial Officer

Mruthunjaya Murthy
Company Secretary
CSN: 11766

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Members of TeamLease Services Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of TeamLease Services Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 2.2 (a) (vi) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or

error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

Other Matters

8. We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of ₹402,013,059 and net assets of ₹279,955,411 as at March 31, 2017, total revenue of ₹517,110,034, net profit of ₹121,853,129 and net cash outflows amounting to ₹45,990,933 for the year/period ended on that date (refer Note 2.2 (a) (vi)), as considered in the consolidated financial statements. These financial statement have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
9. We did not audit the financial statements of one subsidiary whose financial statements reflect total revenue of ₹ Nil and net loss of ₹58,569 for the period April 01, 2016 to December 27, 2016 (refer Note 2.2 (a) (vi)), as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

10. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 27 (a) to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2017 in respect of such items as it relates to the Group. The Group did not have any derivative contracts as at March 31, 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and

Protection Fund by the Holding Company, and its subsidiary companies incorporated in India during the year ended March 31, 2017.

- iv. The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies incorporated in India and as produced to us by the Management – Refer Note 38.

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

Partha Ghosh

Partner

Place: Bangalore

Date: May 18, 2017

Membership Number 055913

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of TeamLease Services Limited on the consolidated financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of TeamLease Services Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 007567S/ S-200012

Chartered Accountants

Partha Ghosh

Partner

Place: Bangalore

Date: May 18, 2017

Membership Number 055913

CONSOLIDATED BALANCE SHEET

As at 31 March 2017

Particulars	Note	As at 31 Mar 2017	As at 31 Mar 2016
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	170,967,690	170,967,690
Reserves and Surplus	4	3,640,327,617	2,944,810,789
Non-Current Liabilities			
Other Long Term Liabilities	5	48,339,917	49,721,719
Long-Term Provisions	6	375,914,590	282,569,617
Current Liabilities			
Short-Term Borrowings	7	10,991,444	193,615,743
Other Current Liabilities	8	2,524,873,710	2,051,382,203
Short-Term Provisions	9	151,680,810	92,765,937
Total		6,923,095,778	5,785,833,698
II. ASSETS			
Non-Current Assets			
Property, Plant and Equipment - Tangible Assets	10	27,228,106	17,651,523
Intangible Assets	10	1,002,265,555	93,574,753
Non-Current Investments	11	100,000	200,000
Deferred Tax Assets	12	149,352,652	45,387,948
Long-Term Loans and Advances	13	925,196,332	614,058,722
Other Non-Current Assets	14	351,992,144	294,288,356
Current Assets			
Current Investments	15	103,116,847	-
Inventories	16	1,584,510	2,344,259
Trade Receivables	17	1,872,269,739	1,204,661,793
Cash and Bank Balances	18	1,592,851,740	2,589,736,683
Short-Term Loans and Advances	19	267,286,153	164,120,613
Other Current Assets	20	629,852,000	759,809,048
Total		6,923,095,778	5,785,833,698
Principles of Consolidation and Significant Accounting Policies	2		
The accompanying notes are an integral part of these Consolidated Financial Statements.			

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

For and on behalf of the Board of Directors

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

Particulars	Note	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue			
Revenue from Operations (Gross)		34,885,105,675	28,509,041,505
Less: Service Tax		4,466,424,099	3,459,857,212
Revenue from Operations (Net)	21	30,418,681,576	25,049,184,293
Other Income	22	223,923,987	154,402,657
Total Revenue		30,642,605,563	25,203,586,950
Expenses			
Employee Benefits Expense	23	29,376,909,774	24,390,897,628
Finance Costs	24	10,970,618	3,921,440
Depreciation and Amortization Expense	25	42,854,244	30,076,660
Other Expenses	26	598,783,862	400,477,909
Total Expenses		30,029,518,498	24,825,373,637
Profit before Tax		613,087,065	378,213,313
Tax Expense			
Current Tax (including MAT) (Refer Note 43)		139,580,819	118,412,691
MAT Credit entitlement (Refer Note 13.1)		(121,882,497)	-
Tax Adjustment for earlier years		6,112,124	-
Deferred Tax (net)		(74,162,907)	11,811,015
Profit for the year		663,439,526	247,989,607
Earnings Per Equity Share (Nominal Value per Equity share - ₹10 (March 31, 2016- ₹10))	28		
Basic and Diluted		38.80	15.92
Principles of Consolidation and Significant Accounting Policies	2		
The accompanying notes are an integral part of these Consolidated Financial Statements.			

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

For and on behalf of the Board of Directors

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2017

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Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
A. Cash flow from Operating Activities:		
Profit before Tax	613,087,065	378,213,313
Adjustments for :		
Depreciation and amortisation expense	42,854,244	30,076,660
Interest paid on bank loans and others	10,970,618	3,921,440
Dividend Income on Mutual Fund Investments	(18,342,360)	(2,304,307)
Interest income on fixed deposits	(116,021,573)	(89,244,016)
Interest income on loan to related parties	(18,936,118)	(10,033,036)
Interest on Income Tax Refunds	(32,817,411)	-
Loss on sale on Property, Plant and Equipment-Tangible (Net)	147,982	-
Liabilities no longer required written back	(18,251,530)	(15,503,505)
Profit on sale of subsidiary	(105,713)	-
Provision for doubtful debts no longer required written back	(10,909,250)	(29,745,840)
Bad Debts written off (net of related provision for doubtful debts written back)	10,007,009	9,095,757
Sundry balances written off	970,089	653,173
Provision for service tax input credit	6,481,524	-
Provision for rebate	2,075,925	-
Provision for Bad and Doubtful Debts	51,332,292	16,401,009
Provision for gratuity	3,501,442	7,288,892
Provision for leave encashment	16,228,347	10,925,204
Operating income before working capital changes	542,272,582	309,744,744
Changes in working capital:		
Increase in other current and long-term liabilities	351,180,446	744,567,843
Increase in short term and long term provisions	106,565,040	91,437,628
(Increase) in other non-current assets	(76,903,137)	(99,930,732)
(Increase) in other current assets	193,512,475	(440,653,233)
(Increase) in trade receivable	(570,170,304)	(387,911,169)
(Increase)/ decrease in inventories	759,749	(172,735)
(Increase)/ decrease in long term loans and advances	(7,973,856)	(5,954,611)
(Increase) in short term loans and advances	(16,271,814)	(51,339,233)
Cash generated from operations	522,971,181	159,788,502
Taxes (paid) / refunded (net)	(190,800,328)	(264,559,468)
Net cash (used in)/generated from Operating Activities (A)	332,170,854	(104,770,966)
B. Cash flow from Investing Activities:		
Purchase of Property, Plant and Equipment - Tangible and Intangible assets (Refer Note 10 a and 10 b)	(18,489,673)	(46,736,570)
Proceeds from sale of Property, Plant and Equipment Tangible and Intangible assets	291,318	-
Acquisition of subsidiaries (net of cash and cash equivalents of ₹63,647,327)	(884,664,312)	-
Proceeds from sale of subsidiary net of cash disposed	85,713	-
Proceeds from sale of Mutual Fund units	2,055,225,513	1,202,304,307
Purchase of Mutual Fund units	(2,140,000,000)	(1,200,000,000)
Investment in Fixed Deposits (Net)	767,249,917	(1,194,774,790)
Repayment of loans and advances by related parties	63,968,983	243,410
Loans and advances given to related parties	(202,300,000)	(60,812,495)
Interest received on loans to related parties	18,936,118	11,683,264
Interest received on income tax refunds	32,817,411	-
Interest received on fixed deposits	137,840,656	100,944,071
Net cash (used in) investing activities (B)	(169,038,357)	(1,187,148,803)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2017

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
C. Cash flow from Financing Activities :		
(Repayment) of Borrowings	(216,835,921)	-
Proceeds from/(Repayment of) Bank Overdraft (Net)	(182,624,299)	193,615,743
Proceeds from issue of equity shares (Refer Note 3.13)	-	1,499,999,250
Issue related expenses (Refer Note 39)	(1,593,254)	(120,377,368)
Interest paid on bank loans and others	(10,970,618)	(3,921,440)
Net cash generated from/(used in) Financing Activities (C)	(412,024,092)	1,569,316,185
Net increase in Cash and Cash equivalents (A+B+C)	(248,891,595)	277,396,416
Cash and Cash equivalents at the beginning of the year	495,886,753	218,490,337
Cash and Cash equivalents at the end of the year	246,995,158	495,886,753
Cash and Cash equivalents comprises of		
Cash on hand	5,353	-
Balances with Banks*		
In Current Accounts	246,989,805	495,886,753
Cash and Cash Equivalents at the end of the year	246,995,158	495,886,753
* Refer Note 18.		

Notes

- The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements".
- Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current period classification.
- Figures in the bracket indicate cash outgo / income.
- Non-cash item - There is an increase in Share Capital during the previous year ended March 31, 2016 due to capitalization of reserves by way of issue of bonus shares. Refer Note 3.1 for details of changes in share capital.

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

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

For and on behalf of the Board of Directors

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

1. General Information

TeamLease Services Limited (the "Company") and its Subsidiaries are collectively referred herein as the "Group". The Company and its subsidiaries are primarily engaged in providing Staffing services and HR requirements offering a gamut of services that include Temporary Staffing, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments.

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

2.1. Basis of preparation:

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

2.2 Principles of Consolidation

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

- (i) The financial statements of the company and its subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements' notified under Section 211(3C) and other relevant provision of the Companies Act, 2013 'Companies (Accounting Standards) Rules, 2006 ("Accounting Standards Rules") as amended.
- (ii) Investments in subsidiaries are eliminated and differences between the cost of investments over the net assets on the date of investments or on the date of the financial statements immediately preceding the date of investments in subsidiaries are recognised as Goodwill or Capital Reserve, as the case may be.
- (iii) The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognized in the financial statements as Goodwill. Negative Goodwill is recognized as Capital Reserve.
- (iv) Minority interest in the subsidiaries consists of
 - (A) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
 - (B) The minority's share of movements in equity since the date the parent subsidiary relationship comes into existence.
- (v) The Consolidated Financial Statements are Prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Standalone Financial Statements of the Company.
- (vi) Investments in subsidiaries not considered in consolidation are accounted as per AS - 13 "Accounting for Investments" as referred to in the Accounting Standard Rules.

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

Sl No.	Name of Subsidiary	Country of Incorporation	Date of Incorporation/Acquisition
1	IJIT Education Private Limited	India	April 04, 2010 – 69% March 11, 2011 – 31%
2	India Tourism and Hospitality Skills Education Private Limited*	India	June 28, 2011 – 100%
3	TeamLease Staffing Services Private Limited	India	July 04, 2016 – 100%
4	ASAP Info Systems Private Limited	India	September 01, 2016 – 100%
5	Nichepro Technologies Private Limited	India	October 01, 2016 – 100%
6	Keystone Business Solutions Private Limited	India	February 01, 2017 – 100%

*Upto December 27, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

(b) TeamLease Education Foundation (TLEF) and National Employability and Apprenticeship Services (NEAS), companies registered under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013) primarily with an objective of education and apprenticeship promotion in India were incorporated as wholly owned subsidiaries of the Company. TLEF and NEAS cannot transfer any funds or profits to TeamLease Services Limited and accordingly this entity have not been considered for consolidation in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements'. During the year, the Company has disposed off its stake in NEAS. Refer Note 11.1 for details. Investment held by the company in equity share capital of TLEF has been accounted for as long term investment in accordance with AS 13- 'Accounting for Investments' in compliance with para 23 of AS 21.

2.3 Significant Accounting Policies:

i. Basis of Accounting

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

ii. Use of Estimates:

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

iii. Property, Plant and Equipment - Tangible Assets:

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

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

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

iv. Intangible Assets:

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

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

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

Asset	Useful life
Computer Software	3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

v. Borrowing Costs:

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

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

vi. Impairment of Assets:

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

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

vii. Investments:

Investments are classified into long term investments and current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are

carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually.

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

viii. Inventories:

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

ix. Foreign Currency Translation

Initial Recognition :

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

Subsequent Recognition :

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

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

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

x. Revenue Recognition:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

- Revenue from providing technical personnel for providing various IT enabled services are recognized on time basis i.e. no of man days / no of man hours working for the assignment/client.
- In respect of Business Process Services, revenue on time and material and unit priced contracts is recognized as the related services are rendered, whereas revenue from fixed price contracts is recognized using the proportionate completion method with contract cost determining the degree of completion.
- Revenues from Software and ITES (Information Technology Enabled Services) are recognized on delivery of services, based on the terms of the contract entered into by the Company with the clients."
- Revenue from Recruitment Services, Skills and Development, Regulatory Services and Payroll is recognized on accrual basis upon execution of the service.
- Revenue from the Corporate Training is recognized over the period of the course commencing from the start of the batch. Revenue in respect of short term programmes is recognized on commencement of the respective programme.
- Revenue from Royalty and Affiliation fees from Franchisee is recognized on the basis of moneys collected by the Franchisees.
- Other Income:

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

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

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

Rental Income : Rental Income is accounted on accrual basis as per the terms of the agreement. Rent equalization is considered only if the agreement is non-cancellable for more than one year and the incremental rent is fixed over the term of the agreement.

Profit/ (Loss) arising from the sale of investments is recognized on trade date basis; net of expenses.

The cost of investment is computed on weighted average basis.

- Net Revenue excludes Service Tax and other statutory levies.

xi. Employee Benefits

a) Provident Fund

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

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the company. The Company's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

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

i) Contribution to TeamLease Provident Fund

The Company has a defined benefit plan for post employment benefits in the form of provident fund. The Company makes contribution for provident fund to the trust set up by the Company and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Company.

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

The Institute of Actuaries of India has issued the guidance note on valuation of interest rate guarantee on exempt provident funds under AS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

15 (revised) which is effective from April 1, 2011. Accordingly, the provident fund liability has been determined by an independent actuary as at March 31, 2017. The actuarial valuation approach used by the independent actuary for measuring the liability is the Deterministic Approach which calculates the defined benefit obligation of all accrued and accumulated provident fund contributions as at the valuation date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

(ii) Contribution to Government Provident Fund

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

b) Gratuity

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

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

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

c) Compensated absences

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

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

xii Current and Deferred Tax

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

xiii. Provisions and Contingent Liabilities

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

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

xiv. Leases

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

xv. Segment Reporting

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

xvi. Cash and Cash Equivalents

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

xvii. Earnings Per Share

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

xviii. Goodwill on Consolidation

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

3 SHARE CAPITAL

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Authorised		
23,300,000 (Previous Year: 23,300,000) Equity shares of ₹ 10 each (Refer Note 3.8)	233,000,000	233,000,000
170,000 (Previous Year: 170,000) 12% Cumulative Convertible Redeemable Preference Shares of ₹ 100 each	17,000,000	17,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid-Up		
17,096,769 Equity Shares of ₹ 10 each fully paid up (Previous Year: 17,096,769)	170,967,690	170,967,690
	170,967,690	170,967,690

3.1 Reconciliation of the number of shares

Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
	Number of Shares	₹	Number of Shares	₹
Equity Shares				
Balance as at the beginning of the year	17,096,769	170,967,690	5,110,688	5,110,688
Add: Issue of Bonus Shares (Refer Note 3.9 & 3.10)	-	-	148,209,952	148,209,952
Add: Issue of Equity Shares (Refer Note 3.13)	-	-	1,764,705	17,647,050
Less: Consolidation of Equity shares (Refer Note 3.10)	-	-	(137,988,576)	-
Balance as at the end of the year	17,096,769	170,967,690	17,096,769	170,967,690

3.2 Rights, Preferences and restrictions attached to shares

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, except in case of interim dividend.

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

Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
	Number of Shares	% holding	Number of Shares	% holding
Name of Shareholder				
HR Offshoring Ventures Pte Limited	4,571,779	26.74	5,426,579	31.74
GPE (India) Limited	1,771,299	10.36	1,771,299	10.36
NED Consultants LLP	1,709,900	10.00	855,100	5.00
HDFC Trustee Company Limited	1,538,093	9.00	-	-
Dhana Management Consultancy LLP	1,260,278	7.37	1,379,886	8.07
IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	-	-	1,022,137	5.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

- 3.4 There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust, as on March 31, 2017 and for the previous year.
- 3.5 There are no shares allotted as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the year ended March 31, 2017.
- 3.6 There are no shares bought back by the Company during the period of five years immediately preceding the year March 31, 2017.
- 3.7 There are no securities that are convertible into equity / preference shares.
- 3.8 The shareholders of the Company on April 02, 2015 approved for increase of the Authorized Share Capital from ₹ 27,000,000 to ₹150,000,000 divided into 133,000,000 equity shares of ₹1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of ₹ 100 each by way of additional 123,000,000 equity shares of ₹1 each. Further, on June 25, 2015, the shareholders of the Company approved for increase of the Authorized Share Capital from ₹ 150,000,000 to ₹250,000,000 divided into 233,000,000 equity shares of ₹1 each and 170,000 12% Cumulative Convertible Redeemable Preference Shares of ₹ 100 each by way of additional 100,000,000 equity shares of ₹1 each.
- Accordingly, the Authorized Share Capital of the Company is increased to ₹ 150,000,000 effective from April 02, 2015 and further increased to ₹250,000,000 effective from June 25, 2015 comprising 23,300,000 equity shares of ₹10 each and 170,000 preference shares of ₹100 each.
- 3.9 On June 25, 2015, pursuant to the provisions of the Companies Act, 2013, the shareholders of the Company approved for issue and allotment of 29 Bonus Equity Shares of ₹1 each for every equity share of ₹1 each held by the members as on that date of this meeting and accordingly a sum of ₹ 148,209,952 is capitalized out of the Company's Securities Premium Account outstanding as on June 30, 2015 and transferred to the Share Capital Account towards issue of fully paid-up bonus shares pursuant to which the paid-up Capital of the Company has increased from ₹5,110,688 to ₹153,320,640 and the balance in the Securities Premium account reduced to ₹1,003,220,349 (also Refer Note 3.10).
- 3.10 During the previous year ended March 31, 2016, the Company had issued 148,209,952 bonus shares out of securities premium thereby increasing the number of equity shares to 153,320,640 of ₹1 each and every 10 equity shares of ₹1 of the Company are consolidated into 1 equity share thereby increasing the face value of the equity share to ₹ 10 per share. Accordingly total 153,320,640 shares of ₹1 each post-bonus have been consolidated into 15,332,064 shares of ₹ 10 each by reducing 137,988,576 number of shares w.e.f July 10, 2015.
- 3.11 During the previous year ended March 31, 2016, Directors of the Company i.e., Ashok Reddy, Manish Sabharwal and Mohit Gupta formed three Limited Liability Partnership firms namely NED Consultants LLP, MKS Management Consultancy Services LLP and Dhana Management Consultancy LLP. Post consolidation of equity shares, HR Offshoring Ventures Pte Limited (HROV) transferred 1,379,886 equity shares to Dhana Management Consultancy LLP, 1,709,900 equity shares to NED Consultants LLP, 300 equity shares to MKS Management Consultancy Services LLP, 201,114 equity shares to the ESOP Trust of the Company. Pursuant to these transfers, the shareholding of HROV in the Company reduced to 26.74% as on March 31, 2017 (Previous Year 31.74%).
- 3.12 During the previous year ended March 31, 2016, the Board of Directors of the Company on August 03, 2015 approved to cancel the previous ESOP Scheme which was issued by the Company on July 27, 2011 and to implement new "TeamLease Employee Stock Option Plan 2015" ("ESOP 2015 scheme") which has been formulated and the existing ESOP Trust has been re-constituted in line with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014, provisions of the Articles of Association of the Company and Companies Act, 2013 and Rules. The shareholders of the Company approved the ESOP 2015 Scheme on July 10, 2015. All unvested and unexercised ESOPs granted to employees under the previous ESOP scheme have been cancelled with effect from August 03, 2015. TeamLease Employee Stock Option Plan Trust (the "Trust") has granted 97,170 options on October 01, 2015 to the employees of the Company and 29,470 options on October 01, 2016, which is out of the transfer of 201,114 equity shares by HROV. Since the options are issued by the Trust and not by the Company, there is no impact on the Financial Statements of the Company towards grant / allotment of ESOP. Refer Note 35 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

Date of allotment	Number of shares	Amount	
		Share Capital	Securities Premium
February 10, 2016	1764705	17,647,050	1,482,352,200

4 RESERVES AND SURPLUS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Securities Premium Account		
Balance as at the beginning of the year	2,365,195,180	1,151,430,300
Add: Issue of Equity Shares (Refer Note 3.13)	-	1,482,352,200
Less : Issue of Bonus shares (Refer Note 3.9)	-	(148,209,952)
Add: Tax benefit on IPO Expenses adjusted (Refer Note: 12.1)	33,670,556	-
Less : Amount utilised for share issue expenses (Refer Note 39)	(1,593,254)	(120,377,368)
Balance as at the end of the year	2,397,272,482	2,365,195,180
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	579,615,609	331,626,002
Add : Profit for the year	663,439,526	247,989,607
Balance as at the end of the year	1,243,055,135	579,615,609
Total	3,640,327,617	2,944,810,789

5 OTHER LONG-TERM LIABILITIES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Statutory Payables (Refer Note 36)	42,190,281	42,190,281
Other Liabilities	6,149,636	7,531,438
Total	48,339,917	49,721,719

6 LONG-TERM PROVISIONS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Provision for Employee Benefits		
Gratuity Payable		
- Core Employees (Refer Note: 32a)	24,312,538	15,913,077
- Associate Employees (Refer Note: 32b)	329,876,816	252,973,679
Leave Encashment Payable (Refer Note: 6a)	20,895,918	13,682,861
Provision for Taxation	829,318	-
Total	375,914,590	282,569,617
Note 6a: Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the year ended March 31, 2017 and March 31, 2016.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

7 SHORT-TERM BORROWINGS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Secured Loans:		
Bank Overdraft (Refer Note 7.1)	10,991,444	193,615,743
Total	10,991,444	193,615,743

7.1 Schedule of Short Term Borrowings

(repayable on demand)	Rate of Interest	₹	
		As at 31 Mar 2017	As at 31 Mar 2016
Secured*			
Canara Bank	FD + 1%	10,991,444	-
HDFC Bank	10.50%	-	193,615,743
Total		10,991,444	193,615,743

*The Company has Overdraft facilities from Bank secured by lien on fixed deposits of ₹ 373,386,825 (Previous year ₹ 250,000,000).

8 OTHER CURRENT LIABILITIES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Sundry Creditors*	99,703,722	88,098,143
Sundry Creditors for Investments	5,000,000	-
Employees Benefits Payable (Refer Note 37)	1,309,601,057	1,150,536,452
Statutory dues	493,319,113	409,003,408
Advance from Customers	126,704,610	121,077,825
Bank Overdraft	222,907,650	72,527,409
Security deposit of building held for sale	2,100,000	2,100,000
Other Liabilities	265,537,558	208,038,966
Total	2,524,873,710	2,051,382,203

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

9 SHORT-TERM PROVISIONS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Provision for Employee Benefits		
Gratuity Payable		
- Core Employees (Refer Note: 32a)	9,601,111	7,597,952
- Associate Employees (Refer Note: 32b)	120,987,632	77,330,032
Leave Encashment Payable (Refer Note: 6a)	10,698,261	7,837,953
Provision for Taxation (net of advance tax of ₹ 54,005,332)	10,393,806	-
Total	151,680,810	92,765,937

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

10.1

10.1											
Particulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1 Apr 2016	Additions through acquisitions*	Addition during the year	Deletions/ Adjustments	Cost As at 31 Mar 2017	As at 1 Apr 2016	Accumulated Depreciation on acquired assets*	For the year	On Deletions/ Adjustments	As at 31 Mar 2017	As at 31 Mar 2016
A. Property, Plant and Equipment											
- Tangible Assets											
Office Equipments	36,621,820	4,845,050	2,921,963	372,616	44,016,217	26,952,700	1,917,880	5,011,262	372,616	33,509,226	9,669,120
Computers	61,623,003	7,947,836	844,398	-	70,415,237	59,064,863	4,879,062	2,790,194	-	66,734,119	2,558,140
Furniture & Fixtures	13,359,101	6,716,656	2,651,887	-	22,727,644	8,984,872	998,479	2,065,450	-	12,048,801	4,374,230
Vehicles	2,362,309	1,380,420	1,055,491	974,058	3,824,162	1,312,276	121,856	563,635	534,758	1,463,009	1,050,033
Total	113,966,234	20,889,962	7,473,739	1,346,674	140,983,260	96,314,711	7,917,277	10,430,540	907,374	113,755,155	17,651,523
B. Intangible assets											
COMS Software	16,370,995	-	-	-	16,370,995	16,370,995	-	-	-	16,370,995	-
Goodwill on consolidation (Refer Note 41)	23,515,296	-	928,539,844	-	952,055,140	-	-	-	-	952,055,140	23,515,296
Goodwill	30,322,380	-	-	-	30,322,380	30,322,380	-	-	-	30,322,380	-
Software - ALCS 10.0	70,518,073	-	-	-	70,518,073	11,785,212	-	23,505,942	-	35,291,154	58,732,861
Software - Others	108,153,061	1,612,447	11,015,934	-	120,781,442	96,826,465	53,719	8,917,762	-	105,797,946	11,326,596
Total	248,879,805	1,612,447	939,555,778	-	1,190,048,030	155,305,052	53,719	32,423,704	-	187,782,475	93,574,753
Grand Total	362,846,039	22,502,409	947,029,517	1,346,674	1,331,031,290	251,619,763	7,970,996	42,854,244	907,374	1,029,493,661	111,226,276

Note:

(1) There is no revaluation of assets during the year.

(2) There are no adjustments to Tangible / Intangible Assets on account of borrowing costs and exchange differences.

* These are on account of acquisition made by the Company of ASAP, Nichepro and Keystone (Refer Note 41 for further details).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

10.2

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1 Apr 2015	Additions	Deletions/ Adjustments	Cost As at 31 Mar 2016	As at 1 Apr 2015	For the year Deletions/ Adjustments	As at 31 Mar 2016	As at 31 Mar 2015
A. Property, Plant and Equipment								
- Tangible Assets								
Office Equipments	29,253,307	7,368,513	-	36,621,820	21,652,002	5,300,698	26,952,700	7,601,305
Computers	58,709,253	2,913,750	-	61,623,003	57,759,798	1,305,065	59,064,863	949,455
Furniture & Fixtures	10,607,264	2,751,837	-	13,359,101	5,758,530	3,226,342	8,984,872	4,848,734
Vehicles	2,362,309	-	-	2,362,309	846,192	466,084	1,312,276	1,516,117
Total	100,932,134	13,034,100	-	113,966,234	86,016,522	10,298,189	96,314,711	14,915,611
B. Intangible assets								
COMS Software	16,370,995	-	-	16,370,995	16,334,725	36,270	16,370,995	36,270
Goodwill on consolidation	23,515,296	-	-	23,515,296	-	-	23,515,296	23,515,296
Goodwill	30,322,380	-	-	30,322,380	30,322,380	-	30,322,380	-
Software - ALCS 10.0	-	70,518,073	-	70,518,073	-	11,785,212	58,732,861	-
Software - Others	103,101,394	5,051,667	-	108,153,061	88,869,477	7,956,988	11,326,596	14,231,917
Total	173,310,065	75,569,740	-	248,879,805	135,526,582	19,778,470	155,305,052	37,783,483
C. Intangible Assets under development								
Software - ALCS (Refer Note 3 below)	41,867,275	28,650,798	70,518,073	-	-	-	-	41,867,275
Total	41,867,275	28,650,798	70,518,073	-	-	-	-	41,867,275
Grand Total	316,109,474	117,254,638	70,518,073	362,846,039	221,543,104	30,076,659	111,226,275	94,566,369

Note:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

11 NON-CURRENT INVESTMENTS

Particulars	Face Value ₹	As at 31 Mar 2017		As at 31 Mar 2016	
		Number	₹	Number	₹
Other than Trade Investments (At Cost)					
Investment in Subsidiaries					
Unquoted Equity Instruments (Fully paid-up)					
TeamLease Education Foundation	10	10,000	100,000	10,000	100,000
National Employability Apprenticeship Services (Refer Note 11.1 below)	10	-	-	10,000	100,000
Total		10,000	100,000	20,000	200,000
Aggregate Value of Unquoted Investments					
-At Book Value			100,00		200,00

11.1 On December 27, 2016, the Company has disposed off 100% of its investments in the equity shares of National Employability Apprenticeship Services ("NEAS") at ₹100,000. This has resulted into no gain/(loss) as NEAS was not considered for consolidation in accordance with Accounting Standard 21 'Consolidated Financial Statements' (Refer Note 2.2 (vi)(b)). Accordingly, NEAS ceases to be subsidiary of the Company.

12 DEFERRED TAX ASSET

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Deferred Tax Assets:		
Provision for bad and doubtful debts	26,137,316	10,747,181
Difference between Book and Tax Depreciation	41,746,114	19,067,704
Amortization of IPO Expenses (Refer Note 12.1 below)	20,202,333	-
Unabsorbed Depreciation and Business Loss (Refer Note 12.2 below)	38,711,654	-
Provision for employee benefits		
--Gratuity	11,688,156	8,136,697
--Leave Encashment	10,810,408	7,436,366
--Bonus	56,671	-
Total	149,352,652	45,387,948

12.1 During the previous year ended March 31, 2016, the Company had adjusted share issue expenses with the securities premium account. During the year ended March 31, 2017, deferred tax asset of ₹ 33,670,556 related to share issue expenses has been recognized and adjusted with the securities premium account which is pertaining to previous year. Accordingly, tax expense for the year ended March 31, 2017, includes adjustments on account of current income tax reversal and reversal of corresponding deferred tax charge for previous year of ₹ 6,734,111 (Net impact is ₹ NIL). Further, deferred tax asset of ₹6,734,111 has been reversed which is pertaining to tax benefit for the current year.

12.2 As at the reporting date, the management of Nichepro Technologies Private Limited ('Nichepro') is virtually certain that sufficient future taxable income will be available against which the deferred tax asset will be realised. The business performance of Nichepro has improved post 01.10.2016 i.e. date of change in management and control. Nichepro has entered into perpetual contracts with most of the clients which have resulted in profits during the period from 01.10.2016 to 31.03.2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

13 LONG-TERM LOANS AND ADVANCES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Unsecured, considered good (unless otherwise stated)		
Security Deposits		
Rental Deposits	65,292,359	59,116,951
Other Deposits	17,997,843	12,398,908
Other loans and advances		
Prepaid Expenses	3,952,007	2,478,915
Balances with Service Tax Authorities	6,578,222	
Less: Provision created during the year	(6,481,524)	
Loans and Advances to Related Parties (Refer Note 19.1)	287,364,337	149,033,320
Capital Advances	-	232,332
Minimum Alternative Tax "MAT" Credit Entitlement (Refer Note 13.1 below)	121,882,497	-
Balances with Income Tax Authorities (Net of provision for tax ₹308,305,636 (Previous Year ₹193,651,290))	428,610,591	383,755,630
Total	925,196,332	614,058,722

13.1 Particulars

Particulars	₹	
	Amount	Amount
Current Tax (MAT)	121,882,497	-
Less: MAT Credit Entitlement	(121,882,497)	-
Net Current Tax	-	-

14 OTHER NON-CURRENT ASSETS

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Long-Term Trade Receivables		
Unsecured considered doubtful	24,363,403	16,612,097
Less: Provision for Doubtful Debts	(24,363,403)	(16,612,097)
	-	-
Fixed Deposits with banks with maturity period more than 12 months from reporting date*	21,088,561	40,345,130
Others		
Interest accrued on Fixed Deposits	1,026,767	969,547
Reimbursement right for Gratuity (Refer Note 31 (d))	329,876,816	252,973,679
Total	351,992,144	294,288,356

* Fixed deposits of ₹ 19,324,212 as at March 31, 2017 (Previous year ₹ 40,345,130) is under lien with various banks for the Guarantee issued to third parties on behalf of the Company. Refer Note 27 (c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

15 CURRENT INVESTMENTS

₹				
Particulars	No. of Units	NAV	As at 31 Mar 2017	As at 31 Mar 2016
Mutual Funds (Unquoted):				
HDFC Short Term Plan - Monthly Dividend Reinvestment (5115190.39 Units, PY: NIL Units)	5115190.39	10.3443	52,913,064	-
ICICI Prudential Liquid Plan Daily Dividend Reinvestment (501541.802 Units, PY: NIL Units)	501541.80	100.0989	50,203,783	-
Total			103,116,847	-
Aggregate Value of Unquoted Investments				
- At Book Value			103,116,847	-

16 INVENTORIES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
At Cost:		
Course ware	1,584,510	2,344,259
Total	1,584,510	2,344,259

17 TRADE RECEIVABLES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Unsecured, Considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment (Refer Note 37)	152,401,117	55,958,938
Others	1,748,506,851	1,148,702,855
Less: Bills Discounted	(28,638,229)	-
	1,872,269,739	1,204,661,793
Unsecured, Considered doubtful		
Outstanding for a period less than 6 months from the date they are due for payment	52,070,959	14,610,150
Less: Provision for Doubtful Debts	(52,070,959)	(14,610,150)
Total	1,872,269,739	1,204,661,793

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

18 CASH AND BANK BALANCES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
(a) Cash And Cash equivalents		
Cash on Hand (Refer Note: 38)	5,353	-
Balances with banks:		
In Current Accounts (Refer Note 39B)	246,989,805	495,886,753
	246,995,158	495,886,753
(b) Other Bank Balances		
In Fixed Deposit Accounts (Refer Note 39B)	1,292,031,812	1,283,705,787
(Maturity within 12 months from the date of acquisition)#		
In Fixed Deposit Accounts	53,824,770	810,144,143
(Maturity more than 12 months but within one year from the reporting date)*		
Total	1,592,851,740	2,589,736,683

* Fixed deposits of ₹ 418,319,077 as at March 31, 2017 (Previous year ₹ 250,044,142) which are under lien with various banks for the Overdraft facilities and Guarantees issued by the Bank on behalf of the Company, Refer Note 27 (c).

Fixed deposits of ₹ 22,615,027 as at March 31, 2017 (Previous year ₹ 43,705,787) which is under lien, kept as securities with banks for the Overdraft facilities and Bank Guarantees, Refer Note 27 (c).

19 SHORT-TERM LOANS AND ADVANCES

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Unsecured considered good		
Other Loans and Advances		
Advances recoverable in Cash or in kind or for value to be received	32,684,631	12,748,625
Less: Provision for bad advances	(29,160)	12,719,465
Loans and Advances to Related Parties (Refer Note 19.1)	72,752,526	74,469,856
Prepaid Expenses	55,808,265	45,754,441
Rental Deposit	4,191,416	4,899,289
Other Deposits	21,190,000	21,190,000
Balances with Service Tax Authorities	588,000	588,000
Advances to Staff	3,011,819	4,499,562
Balances with Income Tax Authorities	77,088,656	-
Unsecured considered doubtful		
Loans and Advances to Related Parties (Refer Note 31)	2,368,637	-
Less: Provision for doubtful loans and advances	(2,368,637)	-
Total	267,286,153	164,120,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

		₹
(Refer note 31)	As at 31 Mar 2017	As at 31 Mar 2016
Loans to Related Parties:		
TLEF *	287,364,337	140,064,337
Advances to Related Parties:		
TLEF	72,470,370	74,228,700
TLSU	-	8,968,983
NEAS	282,156	241,156
ITHS	2,368,637	-
Less: Provision for diminution in investment	(2,368,637)	-
Total	360,116,863	223,503,176

* The above loan has been given for its principal business purpose i.e. sponsoring of TeamLease Skills University ("TLSU") at an Interest rate of 9% per annum. The Company has revisited its repayment schedule, earlier the repayment would commence after enrolling a minimum of 3000 students on campus with TLSU. However, now TLSU is expected to break even by end of Financial Year 2018 and accordingly repayment of ₹2,500,000 per quarter would commence from start of Financial Year 2019. In addition to above, TLSU has TDS Receivables of ₹ 150,677,418 till end of Financial Year March 31, 2017. The entire refund from Income Tax authorities shall be remitted to TeamLease towards repayment of outstanding loan within 30 days of such receipts.

20 OTHER CURRENT ASSETS

		₹
Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Interest accrued on Fixed Deposits	14,524,133	36,400,436
Unbilled Revenue	471,975,957	623,905,785
Building held for sale (Refer Note 20.1 below)	22,172,795	22,172,795
Reimbursement right for Gratuity (Refer Note 32 (d))	120,987,632	77,330,032
Receivable From Sale of Assets	191,483	-
Total	629,852,000	759,809,048

20.1 During the year ended March 31, 2015, Building had been classified as held for sale under 'Other Current Assets', considering intent of the Company to dispose off the building. This classification continues as on March 31, 2017 as the intention of the management to sell the building and discussions are at advance stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

21 REVENUE FROM OPERATIONS

₹		
Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
(Net of Service Tax)		
Sale of Services (Refer Note 36)	29,821,879,958	24,681,869,398
Other Operating Revenue		
Recruitment		
– Permanent Recruitment	175,588,270	142,710,499
– Temporary Recruitment	28,210,661	24,100,661
Skills and Development	166,346,877	62,672,578
Royalty and Affiliation Income	4,187,798	10,846,222
Income from Regulatory Services	111,674,728	75,190,245
Payroll Income	110,793,284	51,794,690
Total	30,418,681,576	25,049,184,293

22 OTHER INCOME

₹		
Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest on Fixed Deposits	116,021,573	89,244,016
Interest on loans to related parties	18,936,118	10,033,036
Rental Income	4,237,260	4,200,000
Interest on Income Tax Refunds	32,817,411	-
Liabilities no longer required written back	18,251,530	15,503,505
Provision for doubtful Debts No Longer Required Written Back	10,909,250	29,745,840
Dividend Income on Mutual Funds	18,342,360	2,304,307
Profit on sale of Subsidiary (Refer Note 22.1 below)	105,713	-
Miscellaneous Income	4,302,772	3,371,953
Total	223,923,987	154,402,657

- 22.1** On December 27, 2016 the Company has disposed off 100% of its investment in the equity shares of India Tourism and Hospitality SKills Education Private Limited ("ITHS") at a consideration of ₹100,000. In accordance with Para 22 of AS 21 : Consolidated Financial Statements, the difference between the proceeds from the disposal of the investments in ITHS and the carrying value of its assets less liabilities as of the date of disposal is recorded in the Consolidated financial statements as the profit of ₹105,713 on the disposal of the investment in a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

23 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Salaries, Wages and Bonus	27,194,535,807	22,618,116,816
Contribution to Provident and Other Funds (Refer Note 32 (b) and (c))	2,007,483,506	1,636,574,703
Gratuity Net of Reimbursement Right (Refer Note 32(a), 32(d) and 32 (e))	3,501,442	7,288,892
Leave Encashment*	16,228,347	10,925,204
Employee Insurance	135,655,814	100,676,649
Staff Welfare	17,542,157	15,105,090
Staff Training Expenses	1,962,701	2,210,274
Total	29,376,909,774	24,390,897,628

* Leave Encashment liability is provided as per the Actuarial valuation reports obtained for the Year Ended March 31, 2017 and March 31, 2016.

Provident Fund Trust

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

Gratuity

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

Leave Encashment

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

24 FINANCE COSTS

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Interest on Loans		
- Banks	9,815,101	3,921,440
- Others	1,155,517	-
Total	10,970,618	3,921,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

25 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Depreciation	10,430,540	10,298,189
Amortisation	32,423,704	19,778,471
Total	42,854,244	30,076,660

26 OTHER EXPENSES

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Courseware Consumed	1,868,842	1,618,208
Rent	123,915,072	99,297,953
Rates and Taxes	7,144,518	2,491,754
Fines and Penalties	92,937	763,262
Electricity	17,391,126	13,893,413
Traveling and Conveyance	51,580,462	
<u>Repairs and maintenance</u>		
- Leasehold Premises	1,211,831	
- Others	71,307,084	
Printing and Stationery	24,625,173	
Communication	56,712,803	44,520,102
Insurance - others	2,479,543	-
Legal and professional	61,820,784	47,300,042
Auditors' Remuneration (Refer Note 26.1)	8,344,621	5,136,632
Provision for Rebate	2,075,925	-
Project expenses	28,042	-
Advertisement and Business Promotion	14,714,832	13,962,359
Interest Paid on Income Tax	620,687	-
Security Charges	8,398,210	6,730,081
Brokerage	-	537,185
Bank Charges	2,573,453	1,510,144
Sundry Balances Written off (net)	970,089	653,173
Bad Debts written off	12,051,279	30,233,431
Less: Related Provision for Doubtful Debts Written Back	(2,044,270)	(21,137,674)
Provision for Bad and Doubtful Debts	51,332,292	16,401,009
Provision for service tax input credit	6,481,524	-
Office Expenses	1,097,243	604,894
Fees and Certification Charges	836,710	2,732,085
Foreign Exchange Loss (Net)	256,635	68,730
Directors Sitting Fees	470,000	391,250
Training Expenses	70,213,433	22,807,532
Donation	65,000	50,000
Loss on sale of Fixed Assets (Net)	147,982	-
Total	598,783,862	400,477,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

26.1 Auditors' Remuneration

Particulars	₹	
	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Statutory Audit Fees	5,024,187	3,848,613
Tax Audit Fees	728,750	600,000
Other Services	2,090,000	500,000
Reimbursement of expenses	501,684	188,019
Total	8,344,621	5,136,632

In addition to above provision for the previous year ended March 31, 2016, the Company had paid Auditor's Remuneration of ₹15,771,992 towards Initial Public Offer ('IPO') of equity shares to the Statutory Auditors of the Company. The aggregate amount paid (including for the prior year ended March 31, 2015) in respect of the IPO amounted to ₹18,019,192. Out of the aggregate amount paid, the Company had recovered ₹11,712,475 from the selling shareholders and ₹6,306,717 had been adjusted with the Securities Premium as share issue expenses.

26.2 Gross amount required to be spent by the Company towards corporate social responsibility expense (CSR) during the year is ₹6,111,792 (Previous Year ₹4,084,379). The Company has not spent any amount towards CSR expenditure and also has not created any provision thereof during the year and previous year. Accordingly, the movement in provision during the year is Nil.

27 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability

- With respect to Employee State Insurance ("ESI") demand raised in 2006, the Company had furnished documents in the prior years to justify no ESI liability for the balance amount of ₹504,467 (Previous Year ₹504,467), which is pending for approval from ESI department.
- The Company had received Demand Order in the prior years under section 201(1) and 201(1A) of the Income Tax Act, 1961 for tax deducted at source of ₹770,794 (Previous Year ₹770,974) for the Assessment Year 2010-11. The Company had filed appeal against the aforesaid demand in the prior years with the Commissioner of Income Tax (Appeals). The matter is pending as on date.
- The Company has received Demand Order under section 156 of the Income Tax Act, 1961 of ₹2,965,803 for the Assessment Year 2013-14. The Company has filed appeal against the aforesaid demand on October 29, 2016 with the Commissioner of Income Tax (Appeals). The matter is pending as on date.
- The Company had received a demand of ₹14,941,812 (Previous year: ₹14,941,812) inclusive of penalty during the prior years from the Commissioner of Service Tax disallowing the cenvat availed against Group Medical Insurance and Personal Accident Policy for the period from October 2010 to July 2013. The said demand was disposed off in the Company's favor by Central Excise and Service Tax Appellate Tribunal (CESTAT). The Commissioner of Service Tax Department had filed the case against this CESTAT order with the Hon'ble High court of Karnataka, Bangalore ('High Court'). This petition was disposed off by the High court on April 2, 2014 in Company's favor. In May 2015, the Commissioner of Service Tax Department had filed a petition with Supreme Court of India for condonation of delay in filing the special leave to appeal. Against this petition, condonation is granted by Supreme Court of India and there has been no further update as of the reporting date. Further on April 19, 2016, the Company received show cause notice from the Commissioner of Service Tax, Bengaluru in respect of the above matter for the period from August 2013 to September 2015 for an amount of ₹13,928,550. The Company has responded against the show cause notice on June 17, 2016 and have not received any further communication from the Commissioner of Service Tax, Bengaluru.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

- v. During the prior year, the Company has provided a corporate guarantee on behalf of TeamLease Skills University ('TLSU') to Tata Capital Financial Services Limited ("TCFSL") whereby the Company has guaranteed all the obligations of TLSU under the Operating Lease Agreement between TCFSL and TLSU dated July 24, 2014 executed in relation to the lease of computer equipment by TCFSL to TLSU of value not exceeding ₹20,000,000 (Previous year ₹20,000,000).
- vi. Income tax matter in respect of Financial Year 2010-11 relating to IIJT Education Private Limited ("IIJT") for which an appeal has been filed with Commissioner of Income Tax (Appeals) on April 23, 2014 against demand notice of ₹2,284,370 (Previous year ₹2,284,370).
- vii. Income tax matter in respect of Financial year 2012-13 relating to IIJT for which an appeal has been filed with Commissioner of Income Tax (Appeals) against demand notice of ₹960,076 (Previous year ₹960,076).
- viii. During the year, IIJT has filed an appeal with Kolkata Municipal Tribunal against the demand notice raised by Kolkata Municipal Corporation towards property tax of ₹3,416,100 by depositing part of the amount under protest. Accordingly, this has been considered as contingent liability.
- ix. Pursuant to the amendment of Payment of Bonus Act, 1965, the Company considers statutory bonus of ₹334,933,022 in respect of the financial year 2014-15 as contingent liability. This is based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1.4.2014 in respect of statutory bonus has not been recognised. As per the contractual agreement with the customers, ₹333,296,946 in respect of associate employees is recoverable from the customers in case this liability arises.
- x. Contingent liability in respect of ASAP Info Systems Private Limited:

Particulars	₹ Year ended 31 Mar 2017
Bills Discounting*	28,638,229
Income Tax Notice AY 2014-15**	3,473,920
Income Tax Notice AY 2007-08**	3,350,670

*During the year ended March 31, 2017, ASAP has taken bill discounting facility with the HDFC Bank against hypothecation of book debts.

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

(b) Capital Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advance of ₹ NIL) as at March 31, 2017 is ₹ NIL and (Previous Year ₹739,214).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

27 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

(c) Other Commitments

Guarantees given by banks against Fixed Deposits as at March 31, 2017 is ₹83,807,169 (Previous year ₹75,996,838)

	As at 31 Mar 2017	As at 31 Mar 2016
Guarantees against Fixed Deposit		
National Stock Exchange of India Limited	21,200,000	21,200,000
REC Transmission Projects Company	500,000	-
REC Power Distribution Company Ltd	17,500,000	15,290,000
Development Support Agency of Gujarat	-	15,190,000
TATA Capital Financial Services Ltd	13,699,624	10,915,138
Uttar Pradesh Skill Development Society	6,436,648	3,280,207
Rural Electrification Corporation Ltd (RECL)	2,000,000	2,000,000
Director, Uttar Pradesh Skill Development Society	1,348,125	1,944,000
The State Project Director Rastriya Madhyamaik Shiksha Abhiyan	1,057,500	1,057,500
The Mission Director, Mission for Elimination of Poverty in Municipal Areas (MEPMA) Telangana.	1,000,000	1,000,000
Gateway Rail Freight Limited	8,025,000	1,000,000
TATA Capital Financial Services Ltd., (Previously Macquarie Finance (India) Pvt Ltd)	-	604,799
The Director Municipal Admistrat Urban Development Dept, Govt. of Jharkhand	505,500	505,500
Kerala Academy for skills excellence (KASE)	500,000	500,000
The Centre for Entrepreneurship Development(CED)	250,000	500,000
Additional Skill Acquisition Programme	-	343,560
Mission Director Jharkhand Skill Development Mission	230,300	230,300
Director General of Employment and Training	-	200,000
Employment Through Skills Training & Placement	135,812	135,812
ONGC Petro Additions Limited	-	100,022
CIL India Limited	115,000	-
Dept Of Sales Tax Maharastra State	6,000,000	-
EDCIL (India) Limited	100,000	-
The Additional Skill Aquestion Programme (ASAP) Triruvanthapuram-Kerala	315,000	-
State Urban Livelihood Mission	400,000	-
Power Grid Corporation Of India Ltd	1,300,000	-
Municipal Commissioner (Municipal Corporation Dhanbad)	248,660	-
BWSSB	940,000	-
Total	83,807,169	75,996,838

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

28 EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
(a) Earnings in Foreign Currencies	6,407,969	-
Staffing Income	6,407,969	-
(b) Expenditure in Foreign Currencies		
License Fees	14,881,620	446,316
Per Diem Allowances	3,253,831	-
Foreign Travel	196,343	-
Total	18,331,794	446,316

29 EARNINGS PER SHARE

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Profit attributable to Equity shareholders	663,439,526	247,989,607
Weighted average number of Equity Shares:		
- For Basic and Diluted (Refer Note 3.13)	17,096,769	15,577,966
Nominal Value of Shares (Note a below)	10	10
Earnings per Share (EPS) (In Rupees) (Note a below)		
- Basic and Diluted (Face Value of ₹10 each)	38.80	15.92

Note a: During the previous year ended March 31, 2016, the Company issued 148,209,952 bonus shares thereby increasing the number of equity shares to 153,320,640 of ₹1 each and every 10 equity shares of ₹1 of the Company were consolidated into 1 equity share thereby increasing the face value of the equity share to ₹10 per share. Accordingly total 153,320,640 shares of ₹1 each post-bonus have been consolidated into 15,332,064 shares of ₹10 each by reducing 137,988,576 number of shares. Accordingly, Basic and Diluted earning per share has been adjusted for the year ended March 31, 2016 presented above in line with the Accounting Standard (AS)- 20 "Earnings per share" (Refer Note 3.9 and 3.10).

30 LEASES

- The Company has taken on operating lease office premises at various locations. The agreements are executed for a period ranging from 1 year to 9 years. Rents are accounted as per agreement and the effect of lease equalisation is not given as the increment in rent agreements are accepted based on the inflation factor.
- Rent payments are recognised in the Statement of Profit and Loss under the head "Rent" in Note 26 "Other Expenses" for the year ended March 31, 2017 amounting to ₹123,915,072 (Previous Year: ₹99,297,953).
- The future minimum lease payments under non-cancellable operating lease are as below:

Minimum Lease Rental Payable	As at 31 Mar 2017	As at 31 Mar 2016
Within 1 year	33,378,518	61,970,393
Later than one year but not later than 5 years	61,325,096	71,493,150
More than 5 years	NIL	NIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

31 RELATED PARTY DISCLOSURE

Nature of Relationship	Name of the Party
(a) Related parties where control exists (Refer Note 3.3):	
Subsidiary Companies	TeamLease Education Foundation ('TLEF') National Employability Apprenticeship Services ('NEAS')* *upto December 27, 2016 (Refer Note: 11.1)
(b) Other Related Parties:	
Key Management personnel and their relatives	Mr. Manish Sabharwal - Chairman & Promoter Mr. Ashok Kumar Nedurumalli - Managing Director & Promoter Mr. Ravi Vishwanath - Chief Financial Officer Mr. Mohit Gupta - Director (Resigned w.e.f July 31, 2015) Mr. Mruthunjaya Murthy- Company Secretary (w.e.f. May 07, 2015) Mrs. Asha Vishwanath - Relative of Mr. Ravi Vishwanath
Enterprises over which key Management Personnel are able to exercise significant influence with whom transactions have taken place	India Life Capital Private Limited ('ILCPL') Hansini Management Consultants Private Limited ('HANSINI') TeamLease Skills University ('TLSU') HR Offshoring Ventures Pte Limited ('HROV') (Refer Note 3.11)

		₹							
Nature of Transactions	Name of Related Party	Subsidiary Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		TOTAL	
		As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016
ISSUANCE OF EQUITY SHARES									
Issue of bonus shares (Refer Note 3.10)	HROV	-	-	-	-	-	77,490,900	-	77,490,900
	HANSINI	-	-	-	-	-	1,270,606	-	1,270,606
	Ravi Vishwanath	-	-	-	255,925	-	-	-	255,925
Total-Issue of bonus shares		-	-	-	255,925	-	78,761,506	-	79,017,431
FINANCE									
Loans given to related parties	TLEF	202,300,000	59,500,130			-	-	202,300,000	59,500,130
Total-Loans given to related parties		202,300,000	59,500,130	-	-	-	-	202,300,000	59,500,130
Repayment of loans/advances	TLSU	-	-	-	-	8,968,983	243,410	8,968,983	243,410
	TLEF	55,000,000	-	-	-	-	-	55,000,000	-
Interest Paid	TLEF	18,655,762	11,683,264	-	-	-	-	18,655,762	11,683,264
Total-Repayment of loans/advances by related parties		73,655,762	11,683,264	-	-	8,968,983	243,410	82,624,745	11,926,674
Interest on loans to related parties	TLEF	18,655,762	10,033,036	-	-	-	-	18,655,762	10,033,036
	HANSINI	-	-	-	-	-	-	-	-
Total-Interest on loans to related parties		18,655,762	10,033,036	-	-	-	-	18,655,762	10,033,036
OTHER RECEIPTS AND PAYMENTS									
Service Charges / Rent Income	ILCPL	-	-	-	-	3,864,000	2,208,000	3,864,000	2,208,000
	TLEF	7,537,500	1,012,000	-	-	-	-	7,537,500	1,012,000
	TLSU	-	-	-	-	98,879,850	42,295,424	98,879,850	42,295,424
Total-Service charges/Rent Income		7,537,500	1,012,000	-	-	102,743,850	44,503,424	110,281,350	45,515,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

		₹							
Nature of Transactions	Name of Related Party	Subsidiary Companies		Key Management Personnel and their relatives		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		TOTAL	
		As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2017	As at 31 Mar 2016
Other Expenses paid	NEAS	41,000	104,086	-	-	-	-	41,000	104,086
	TLEF	16,911	441,135	-	-	-	-	16,911	441,135
	HANSINI	-	-	-	-	180,000	-	180,000	-
	TLSU	-	-	-	-	-	20,321	-	20,321
	ILCPL	-	-	-	-	61,003	48,744	61,003	48,744
Total-Other Expenses paid		57,911	545,221			241,003	69,065	298,914	614,286
Consultancy Fee	ILCPL	-	-	-	-	2,040,000	540,000	2,040,000	540,000
Services Charges	TLSU	-	-	-	-	6,617,411	4,157,148	6,617,411	4,157,148
	ILCPL	-	-	-	-	1,763,200	-	1,763,200	-
Total consultancy/ services paid		-	-	-	-	10,420,611	4,697,148	10,420,611	4,697,148
Remuneration to Key Management Personnel	Ashok Kumar Nedurumalli	-	-	8,642,960	4,572,950	-	-	8,642,960	4,572,950
	Manish Sabharwal	-	-	8,400,000	4,206,000	-	-	8,400,000	4,206,000
	Mohit Gupta	-	-	-	2,194,738	-	-	-	2,194,738
	Ravi Vishwanath	-	-	8,284,000	7,162,624	-	-	8,284,000	7,162,624
	Mruthunjaya Murthy	-	-	2,294,936	2,002,763	-	-	2,294,936	2,002,763
Total-Remuneration to Key Management Personnel		-	-	27,621,896	20,139,075	-	-	27,621,896	20,139,075
Rent Paid	Asha Vishwanath	-	-	600,000	600,000	-	-	600,000	600,000
OUTSTANDING BALANCES									
Receivables									
Loans and Advances Receivable (Inclusive of Interest) (Refer Note 18.1)	ILCPL	-	-	-	-	-	-	-	-
	HANSINI	-	-	-	-	-	-	-	-
	TLEF	359,834,707	212,534,707	-	-	-	-	359,834,707	212,534,707
	TLSU	-	-	-	-	-	8,968,983	-	8,968,983
	NEAS	282,156	241,156	-	-	-	-	282,156	241,156
Total-Loans and advances Receivables		360,116,863	212,775,863	-	-	-	8,968,983	360,116,863	221,744,846
Trade Receivables	TLSU	-	-	-	-	73,474,018	48,354,399	73,474,018	48,354,399
	TLEF	5,605,793	1,158,740	-	-	-	-	5,605,793	-
	ILCPL	-	-	-	-	224,938	491,146	224,938	491,146
Total Trade Receivables		5,605,793	1,158,740	-	-	73,698,956	48,845,545	79,304,749	48,845,545
Investments in Subsidiaries	TLEF	100,000	100,000	-	-	-	-	100,000	100,000
	NEAS	-	100,000	-	-	-	-	-	100,000
Total-Investments in Subsidiaries		100,000	200,000	-	-	-	-	100,000	200,000
Total outstanding balances		365,822,656	214,134,603	-	-	73,698,956	57,814,528	439,521,612	270,790,391
Guarantees given (Refer Note 26(a)(v))	TLSU	-	-	-	-	20,000,000	20,000,000	20,000,000	20,000,000
Total-Guarantees given		-	-	-	-	20,000,000	20,000,000	20,000,000	20,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 a) EMPLOYEE BENEFITS - GRATUITY

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

	₹		
Particulars	Un-funded As at 31 Mar 2017	Funded As at 31 Mar 2017	Un-funded As at 31 Mar 2016
I. Assumptions	6.25%-7.50% p.a.	7.50% p.a.	7.40% p.a.
Discount Rate	N/A	7.50% p.a.	N/A
Expected Return On Plan Assets	Indian Assured Lives Mortality (2006-08) Ultimate		
Mortality	6% - 8% p.a.	6% p.a.	7% p.a.
Future Salary Increases	10% -49% p.a.	8% p.a.	36% p.a.
Attrition	58 yrs.	58 yrs.	58 yrs.
Retirement			
II. Change in Present Value Benefit Obligation			
Present Value Of obligation at the beginning of the year	23,511,029	-	18,800,942
Addition through acquisitions (Refer Note 41)	6,414,888	3,734,845	-
Adjustment to present value	-	-	-
Interest Cost	1,617,798	113,123	1,295,854
Current Service Cost	7,990,994	665,571	6,376,531
Past Service Cost	-	-	-
Benefits Paid	(3,059,774)	14,213	(2,578,805)
Transfer In	-	-	-
Actuarial (gain) loss on Obligation	(5,420,786)	(1,442,147)	(383,493)
Present Value Of obligation at the end of the year	31,054,149	3,085,605	23,511,029
III. Change in Fair Value Plan Assets			
Fair value of plan Assets beginning of the year	-	-	-
Addition through acquisitions (Refer Note 41)	-	252,369	-
Expected Return On plan assets	-	27,030	-
Contributions	3,059,774	-	2,578,805
Benefits Paid	(3,059,774)	14,213	(2,578,805)
Actuarial gain (Loss) Plan Assets	-	(27,030)	-
Fair value of plan Assets at the end of the year	-	266,582	-
IV. Actuarial gain (loss) recognized	5,420,786	1,415,117	383,493
V. Balance Sheet Recognition			
Present Value Of Obligation	31,054,149	3,085,605	18,800,942
Fair Value Of Plan Assets	-	266,582	-
Liability (assets)	31,054,149	2,819,023	18,800,942
Unrecognised Past Service Cost	-	-	-
Liability (asset) recognised in the Balance Sheet	31,054,149	2,819,023	18,800,942
VI. Expenses Recognition			
Current Service Cost	7,990,994	665,571	6,376,531
Interest Cost	1,617,798	113,123	1,295,854
Expected Return On plan assets	-	(27,030)	-
Net Actuarial (gain) recognised in the year	(5,420,786)	(1,415,117)	(383,493)
Past Service Cost	-	-	-
Expenses Recognised in the statement of Profit and Loss	4,188,006	(663,453)	7,288,892
* For one of the subsidiary company			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 a) EMPLOYEE BENEFITS - GRATUITY (Un-funded) (Contd..)

Particulars	₹		
	Un-funded As at 31 Mar 2017	Funded As at 31 Mar 2017	Un-funded As at 31 Mar 2016
VII. Movements in the liability recognised in Balance Sheet			
Opening net Liability	23,511,029	-	18,800,942
Addition through acquisitions	6,414,888	3,734,845	-
Fair Value Of Plan Assets		(266,582)	
Adjustment to Present Value	-	-	-
Expenses	4,188,006	(663,453)	7,288,892
Contribution	(3,059,774)	14,213	(2,578,805)
Transfer In	-	-	-
Closing Net Liability	31,054,149	2,819,023	23,511,029
VIII. Current and Non-Current Liability			
Current	9,546,769	13,865	7,597,952
Non-current	21,507,380	2,805,158	15,913,077
IX. Experience adjustment			
Experience adjustment	(3,228,924)	251,614	(664,001)
Assumption Change	(2,191,862)	-	280,508
Experience adjustment on Plan assets	-	(57,852)	-
Total experience adjustment	(5,420,786)	193,762	(383,493)

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

Particulars	₹		
	Gratuity		
	31 Mar 2015	31 Mar 2014	31 Mar 2013
Benefit Obligation	18,800,942	16,609,959	14,894,355
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	(1,450,996)	(1,543,451)	(887,204)
Experience adjustment on Plan Assets	NA	NA	NA

* For one of the subsidiary company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

b) EMPLOYEE BENEFITS - PROVIDENT FUND

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Balance in Reserves and Surplus as per TeamLease Services Limited Employees Provident Fund Trust *	467,535,083	389,704,959
Provident Fund Obligations *	11,291,949	13,343,162
Discount Rate (per annum)	6.66%	7.35%
Average historic yield on the investment portfolio	9.17%	9.17%
Appropriate term (in years)	5 Years	5 Years
Remaining term to maturity of PF portfolio (in years)	5.79 Years	6.52 Years
Discount rate for the remaining term to maturity of the investment portfolio (per annum)	-	-
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

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

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
Employers contribution to Provident Fund	1,440,561,478	1,193,648,900
Employees State Insurance Corporation	543,667,896	424,506,234
Provident Fund Administrative charges	23,254,132	18,419,569
Total	2,007,483,506	1,636,574,703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 d) EMPLOYEE BENEFITS - GRATUITY (Un-funded)

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

Disclosure relating to actuarial valuation of Gratuity of associate employees:

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
I. Assumptions		
Discount Rate	6.56% p.a.	7.35% p.a.
Expected Return on Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Ultimate	Ultimate
Future Salary Increases	9% p.a	10% p.a
Attrition	43% p.a.	43% p.a.
Retirement	58 yrs.	58 yrs.
II. Change in Present Value Benefit Obligation:		
Present Value of obligation at the beginning of the year	330,303,711	228,731,275
Adjustment to present value	-	-
Interest Cost	19,444,076	15,037,369
Current Service Cost	75,276,038	61,243,265
Past Service Cost	-	-
Benefits Paid	(67,800,233)	(48,282,435)
Transfer In	-	-
Actuarial (gain) loss on Obligation	93,640,856	73,574,237
Present Value Of obligation at the end of the year	450,864,448	330,303,711
III. Change in Fair Value Plan Assets:		
Fair value of plan Assets beginning of the year	-	-
Expected Return On plan assets	-	-
Contributions	67,800,233	48,282,435
Benefits Paid	(67,800,233)	(48,282,435)
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets at the end of the year	-	-
IV. Actuarial gain (loss) recognized	(93,640,856)	(73,574,237)
V. Balance Sheet Recognition		
Present Value Of Obligation	450,864,448	330,303,711
Fair Value Of Plan Assets	-	-
Liability and assets	450,864,448	330,303,711
Liability and assets recognised in the Balance Sheet	450,864,448	330,303,711
VI. Expenses and Income Recognition		
Current Service Cost	75,276,038	61,243,265
Interest Cost	19,444,076	15,037,369
Expected Return On plan assets	-	-
Net Actuarial loss recognised in the year	93,640,856	73,574,237
Past Service Cost	-	-
Expenses and Income Recognised in the statement of Profit and Loss	188,360,970	149,854,871

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 d) EMPLOYEE BENEFITS - GRATUITY (Un-funded) (Contd..)

Particulars	₹	
	As at 31 Mar 2017	As at 31 Mar 2016
VII. Movements in the liability and asset recognised in Balance Sheet		
Opening net Liability and asset	330,303,711	228,731,275
Adjustment to Present Value	-	-
Expenses and Income	188,360,970	149,854,871
Contribution	(67,800,233)	(48,282,435)
Closing Net Liability and asset	450,864,448	330,303,711
VIII. Current and Non-Current Liability and asset		
Current	120,987,632	77,330,032
Non-current	329,876,816	252,973,679
IX. Experience adjustment		
Experience adjustment	91,369,446	62,598,899
Assumption Change	2,271,410	10,975,338
Total experience adjustment	93,640,856	73,574,237

- e) The employee benefits expense towards gratuity and related reimbursement right for associate employees for year ended March 31, 2017 is ₹188,360,970 (Previous year ₹149,854,871) have been netted off in the Statement of Profit and Loss.

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

Particulars	₹		
	Gratuity		
	31 Mar 2015	31 Mar 2014	31 Mar 2013
Benefit Obligation	103,786,940	156,875,654	103,786,940
Fair value of Plan Assets	NA	NA	NA
Funded status Deficit / (Surplus)	NA	NA	NA
Experience adjustment on Plan Liabilities (Gain) / Loss	40,168,152	30,715,196	8,349,763
Experience adjustment on Plan Assets	NA	NA	NA

33. SEGMENT REPORTING

(a) Business Segment:

The business segment has been considered as the primary segment.

The Company is primarily engaged in the business of providing manpower services. The Company had earlier disclosed reportable segments as "Staffing Operations", "Recruitment Operations" and "Training Operations" for the year ended March 31, 2016. With effect from April 01, 2016, based on the risk, rewards and nature, the Company has revised the business segments into the following broad categories, which in context of Accounting Standard 17 on 'Segment Reporting' constitute reportable segments. During the year ended, March 31, 2017, the Company entered into the IT Staffing vertical through its subsidiaries which is identified by the management as a separate business segment as "IT Staffing Services".

a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

- b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.
- c) IT Staffing Services - Comprises of IT Staffing Operations.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segments. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under unallocated expenses/income.

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

Consequently, previous year's figures have been reclassified to conform to the current reportable segments of the Company.

Information about primary business segment

Particulars	Staffing and Allied Services		Other HR Services		IT Staffing		Unallocated		TOTAL	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
(i) Segment Revenue										
External Revenue	29,453,025,404	24,757,764,749	457,797,673	291,419,545	507,858,499	-	-	-	30,418,681,576	25,049,184,293
Liabilities no longer required written back	12,369,906	11,245,391	-	-	3,565,000	-	2,316,624	4,258,114	18,251,530	15,503,505
Add: Interest / Dividend income	-	-	-	-	601,765	-	185,515,697	101,581,359	186,117,462	101,581,359
Add: Other Income	2,303,590	1,766,434	8,175,267	26,113,646	842,517	-	8,233,621	9,437,712	19,554,995	37,317,793
Total Revenue	29,467,698,900	24,757,764,749	465,972,940	317,533,191	512,867,781	-	196,065,942	115,277,185	30,642,605,563	25,203,586,950
(ii) Segment Results										
Income Taxes (Current and Deferred Tax) Including Adjustment of earlier year Taxation	401,343,712	312,099,665	31,462,411	30,225,544	74,015,761	-	106,265,181	35,888,104	613,087,065	378,213,313
Profit/(Loss) after tax	401,343,712	312,099,665	31,462,411	30,225,544	118,979,305	-	111,654,098	(94,335,602)	663,439,526	247,989,607
(iii) Segment Assets	2,582,662,727	2,151,449,447	152,865,564	148,986,881	1,302,260,233	-	2,885,307,254	3,485,397,370	6,923,095,778	5,785,833,698
Total Assets	2,582,662,727	2,151,449,447	152,865,564	148,986,881	1,302,260,233	-	2,885,307,254	3,485,397,370	6,923,095,778	5,785,833,698
(iv) Segment liabilities	2,690,952,070	2,319,148,416	77,379,598	59,750,112	118,823,511	-	224,645,292	291,156,691	3,111,800,471	2,670,055,219
Total liabilities	2,690,952,070	2,319,148,416	77,379,598	59,750,112	118,823,511	-	224,645,292	291,156,691	3,111,800,471	2,670,055,219
(v) Capital Expenditure	-	28,650,798	-	-	1,515,063	-	16,974,610	18,085,772	18,489,673	46,736,570
(vi) Depreciation/ Amortization	35,435,852	25,112,033	4,457,757	4,964,627	2,960,635	-	-	-	42,854,244	30,076,660
(vii) Non Cash Expenditure other than Depreciation	-	-	-	-	-	-	-	44,364,035	-	44,364,035

(b) Geographical Segment:

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

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

Particulars	Net Assets (Total Assets minus Total Liabilities)				Share in Profit or (Loss)			
	As a % of Consolidated Net Assets	Amount ₹	As a % of Consolidated Net Assets	Amount ₹	As a % of Consolidated Profit or (Loss)	Amount ₹	As a % of Consolidated Profit or (Loss)	Amount ₹
	As at 31 Mar 2017	As at 31 Mar 2017	As at 31 Mar 2016	As at 31 Mar 2016	Year ended 31 Mar 2017	Year ended 31 Mar 2017	Year ended 31 Mar 2016	Year ended 31 Mar 2016
	(2)	(3)	(2)	(3)	(4)	(5)	(4)	(5)
Parent								
TEAMLEASE SERVICES LIMITED	97.08%	3,699,984,772	99.54%	3,101,559,276	85.37%	566,348,195	97.93%	242,858,284
Subsidiaries - Indian								
IJIT Education Private Limited	0.44%	16,813,241	0.46%	14,201,347	0.39%	2,611,894	2.07%	5,144,156
India Tourism and Hospitality Skills Education Private Limited (Refer Note 22.1)	0.00%	-	-0.07%	(2,315,781)	-0.01%	(58,569)	-0.05%	(116,757)
TeamLease Staffing Services Private Limited	4.01%	152,648,196	0.00%	-	-2.63%	(17,451,804)	0.00%	-
ASAP Info Systems Private Limited	1.81%	68,815,497	0.00%	-	5.32%	35,288,200	0.00%	-
Nichepro Technologies Private Limited	1.80%	68,444,676	0.00%	-	11.15%	74,004,768	0.00%	-
Keystone Business Solutions Private Limited	0.53%	20,337,833	0.00%	-	0.54%	3,558,244	0.00%	-
Goodwill on consolidation (Refer Note 41)	24.98%	952,055,140	0.75%	23,515,296	0.00%	-	0.00%	-
Intercompany elimination and other consolidated adjustments	-30.64%	(1,167,804,048)	-0.68%	(21,181,659)	-0.13%	(861,402)	0.04%	103,924
Total	100.00%	3,811,295,307	100.00%	3,115,778,479	100.00%	663,439,526	100.00%	247,989,607

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

35 A. Details of TeamLease Employee Stock Option Plan issued by the Trust (Refer Note 3.11)

Name of the Scheme	TeamLease Employee Stock Option Plan 2015	
	Tranche - I	Tranche - II*
Date of grant	1-Oct-15	1-Oct-16
Number Granted	97,170 (post issue of bonus shares)	29,470
Exercise Price	₹10	₹10
Vesting period	1-4 years	2-4 years
Vesting conditions	25% on expiry of 12 months from grant date 25% on expiry of 24 months from grant date 25% on expiry of 36 months from grant date 25% on expiry of 48 months from grant date	44% on expiry of 12 months from grant date 48% on expiry of 12 months from grant date 5% on expiry of 12 months from grant date 3% on expiry of 12 months from grant date

* During the financial year ended March 31, 2017, Tranche II scheme was approved by Board of Directors and Nomination and Remuneration Committee and the same is subject to shareholders approval in the ensuing Annual General Meeting.

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for the year ended 31 March 2017

B. Movement in the options granted to Employee

Particulars	Number of Options
Outstanding at start of the year	97,170
Granted*	29,470
Forfeited	-
Vested	97,170
Exercised	31,467
Outstanding at end of year	29,470
Exercisable at end of year	-

36 During the prior years, TeamLease received service tax Order for ₹37,850,377 from Commissioner of Central Excise. As per the Order there is a penalty of equivalent amount. Further, interest at the applicable rate has also been levied. The management has already filed an appeal against this Order. The penalty and interest has neither been accounted for nor disclosed as contingent liability in the financial statements since in the opinion of the management and based on the legal opinion obtained from a Service Tax Practitioner, possibility of outflow of funds are remote. The appeal is pending before the Tribunal, Kolkata, which is yet to come up for hearing.

37 During the previous year ended March 31, 2016, Payment of Bonus Act, 1965 ("the Act") has been amended by the Payment of Bonus (Amendment) Act, 2015. The Company has recognized additional statutory bonus of ₹261,866,742 for the year ended March 31, 2016 forming part of salaries, wages and bonus with a corresponding amount included in provision for employee benefits payable as at March 31, 2016. Based on the contractual agreements with the customers, the amount in respect of associate employees is recoverable from them with the stated mark-ups and accordingly, revenue from sale of services to the tune of ₹266,732,063 (net of service tax) had been recognised with a corresponding amount included in unbilled revenue of ₹305,408,213 with service tax thereon as at March 31, 2016.

During the year ended March 31, 2017, the Company has raised the invoice for the aforesaid unbilled revenue. Out of the total invoice raised, ₹142,004,505 is recoverable from client and also the corresponding amount of bonus liability appearing in provision for employee benefits payable. There are stay orders from various High Courts on the applicability of the Act. Considering the same, there have delays on receipt of the said billed amounts from clients. The Company has obtained legal opinion on the said matter and is confident of recovering the said amounts as per the contractual agreements alongwith consequential payments to the respective employees on legal determination of the above matters by relevant judicial authorities.

38 Disclosure relating to Specified Bank Notes (SBNs) held and transacted during the period November 08, 2016 to December 30, 2016 (Refer Note 38.1 below)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	214,000	82,414	296,414
(+) Permitted receipts	-	1,719,438	1,719,438
(-) Permitted payments	-	1,593,187	1,593,187
(-) Amount deposited in Banks/Exchanged	214,000	-	214,000
Closing cash in hand as on December 30, 2016	-	208,665	208,665

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38.1 One of the subsidiary namely Keystone Business Solutions Private Limited ('Keystone') has been acquired w.e.f. February 01, 2017 and considered in the consolidated financial statements for the above period only. Accordingly, above disclosure on account of SBNs does not include for Keystone.

39 A) Amount utilised for share issue expenses

Amount utilised for share issue expenses of ₹121,970,622 includes payments made to merchant bankers, attorneys, consultants and registrars towards Initial Public Offering of shares.

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

Particulars	₹
Issue Proceeds	1,499,999,250
Less: Issue Expenses till March 31, 2016	120,377,368
Less: Additional Issue Expenses in March 31, 2017	1,593,254
Net Proceeds of IPO	1,378,028,628
Amount Utilised as per the objects of the issue as per prospectus	886,470,838
Funds to be utilised (remain invested in current account and fixed deposits with banks)	491,557,790
Amount invested in Fixed Deposit Accounts	490,000,000
Balance lying in Current Accounts	1,557,790
Total	491,557,790

40 Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015

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

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Balance as at the year end		
TeamLease Education Foundation	359,834,707	212,534,707
National Employability Apprenticeship Services	282,156	241,156
Total	360,116,863	212,775,863
Maximum amount outstanding at any time during the year		
TeamLease Education Foundation	376,624,894	225,976,301
National Employability Apprenticeship Services	282,156	345,242
Total	376,907,050	226,321,543

(ii) Loans and advances in the nature of loans to firms/companies in which directors are interested

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Balance as at the year end	NIL	NIL
Maximum amount outstanding at any time during the year	NIL	NIL

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2017

- 41** During the year ended March 31, 2017, the Company incorporated a wholly owned subsidiary ("WOS") in the name of TeamLease Staffing Services Private Limited ("TSSPL"). The WOS got Certificate of Incorporation on July 04, 2016. Through this WOS, the Company acquired ASAP Info Systems Private Limited ("ASAP"), a company incorporated under Companies Act, 1956 w.e.f. September 01, 2016 at an agreed consideration of ₹670,000,000. This includes contingent consideration up to ₹100,500,000 lakhs depending upon the performance of ASAP and the same if any, will be appropriately accounted for at the time of certainty of the amount i.e. as at August 31, 2017. This has resulted in to Goodwill on Consolidation of ₹536,624,069. Further, TSSPL signed a definitive agreement on September 20, 2016 to acquire Nichepro Technologies Private Limited ("Nichepro"), a company incorporated under Companies Act, 1956 at an agreed consideration of ₹295,000,000. The control of Nichepro got transferred on completion of transaction on October 01, 2016. This has resulted in to Goodwill on Consolidation of ₹326,490,344. On January 16, 2017, the Company through TSSPL signed a definitive agreement to acquire Keystone Business Solutions Private Limited ("Keystone"), a company incorporated under Companies Act, 1956 at an agreed consideration of ₹82,000,000. The control of Keystone got transferred to TSSPL on February 01, 2017. This has resulted in to Goodwill on Consolidation of ₹65,425,431.
- 42** The Board of directors of TSSPL, ASAP and Nichepro in their respective meetings held on March 22, 2017 approved the Scheme of Amalgamation of ASAP and Nichepro with TSSPL and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 with appointed date as January 01, 2017. The subsidiaries mentioned herein above are in the process of filing the application with the relevant jurisdictional office of National Company Law Tribunal.
- 43** As per the amendment in the Finance Act 2016, deduction under section 80JJAA was extended across to all sectors. The Company has taken the benefit during the current year and the benefit will be available to the Company for the next two assessment years subject to fulfilment of the conditions.

44 Previous Year Figures

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

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

Signatures to Note Number 1 to 44 forming part of the Financial Statements.

For **Price Waterhouse & Co Bangalore LLP**

Firm Registration Number: 0075675 / S- 200012

Chartered Accountants

Partha Ghosh

Partner

Membership No: 055913

Ashok Kumar Nedurumalli

Managing Director

DIN: 00151814

Latika Pradhan

Director

DIN: 07118801

Place : Bangalore

Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary

CSN: 11766

FORM AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details					
1.	Name of the subsidiary	IJIT Education Private Limited	TeamLease Education Foundation	TeamLease Staffing Services Private Limited	ASAP Info Systems Private Limited	Nichepro Technologies Private Limited	Keystone Business Solutions Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR
4.	Share capital	80,000,000	100,000	34,100,000	850,200	68,892,100	426,270
5.	Reserves & surplus	(63,186,759)	(17,775,285)	118,548,196	67,965,297	(447,424)	19,911,563
6.	Total assets	28,169,197	348,931,103	1,078,146,309	140,852,884	196,876,293	35,885,653
7.	Total Liabilities (excluding share capital and reserves and surplus)	11,355,956	366,606,388	925,498,113	72,037,387	128,431,617	15,547,820
8.	Investments	NIL	30,000,000	973,286,639	NIL	NIL	NIL
9.	Turnover	4,240,061	28,113,088	6,516,295	386,152,476	112,364,864	15,257,651
10.	Profit/(loss) before taxation	2,611,894	880,621	(17,451,804)	49,992,185	13,706,013	4,189,470
11.	Provision for taxation	NIL	167,802	NIL	14,703,985	(60,298,755)	631,226
12.	Profit/(Loss) after taxation	2,611,894	712,819	(17,451,804)	35,288,200	74,004,768	3,558,244
13.	Proposed Dividend	-	-	-	-	-	-
14.	% of shareholding	100%	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – None.
- Names of subsidiaries which have been liquidated or sold during the year: National Employability Apprenticeship Services and India Tourism & Hospitality Skills Education Private Limited were sold during the year.

Part "B": Associates and Joint Ventures (Not Applicable)**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

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

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

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

For and on behalf of the Board of Directors

Ashok Kumar Nedurumalli

Managing Director
DIN: 00151814

Latika Pradhan

Director
DIN: 07118801

Place : Bangalore
Date : May 18, 2017

N. Ravi Vishwanath

Chief Financial Officer

Mruthunjaya Murthy

Company Secretary
CSN: 11766



TEAMLEASE SERVICES LIMITED

CIN: L74140MH2000PLC124003

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

Tel: 91 80 33002345 | Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamlease.com

17th Annual General Meeting – July 07, 2017

June 09, 2017

Dear Member,

You are cordially invited to attend the 17th Annual General Meeting of the members of TeamLease Services Limited ("the Company") to be held on Friday, July 07, 2017 at 3.00 pm IST at the Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059.

The notice of the meeting, containing the business to be transacted is enclosed herewith. In terms of Section 108 of the Companies Act, 2013, read with the related Rules and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed herewith.

Very truly yours,

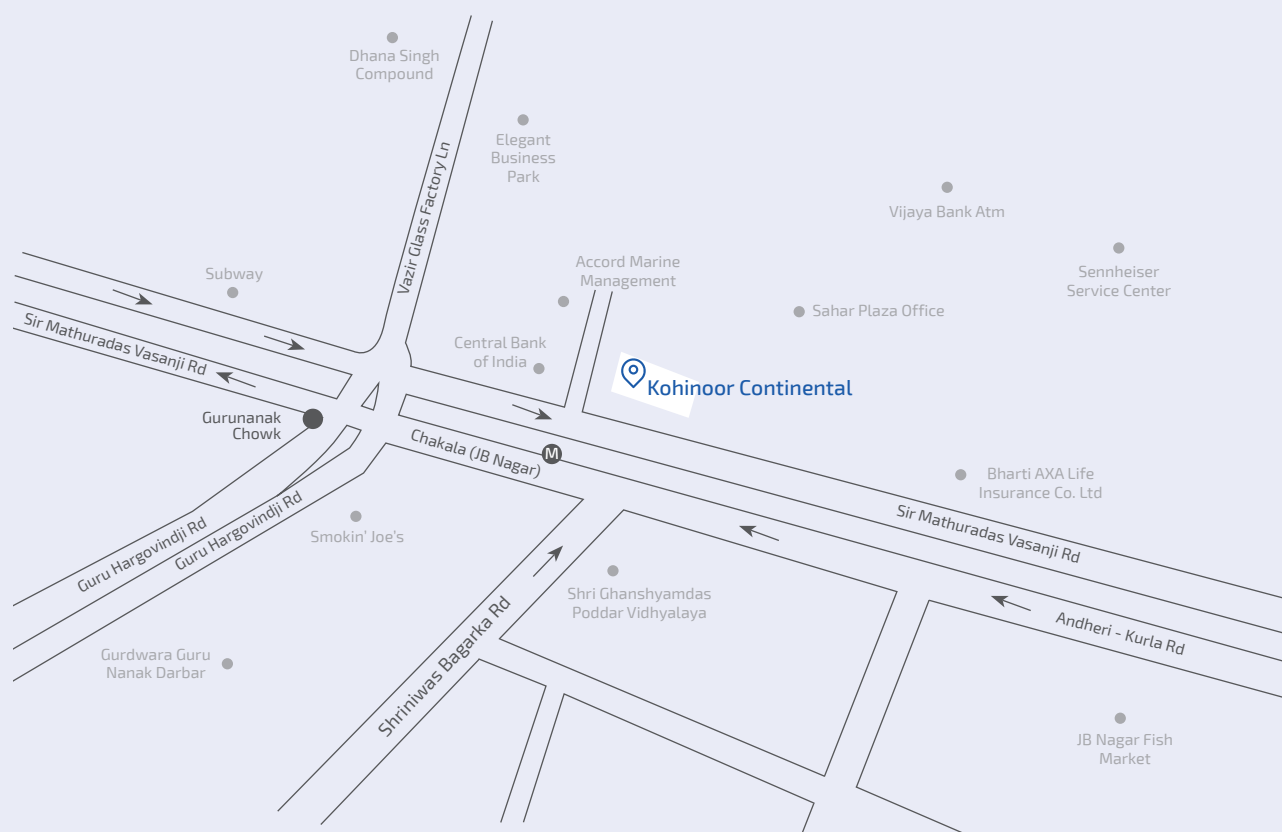
Mruthunjaya Murthy

Company Secretary

Enclosures:

1. Notice to the 17th Annual General Meeting (AGM)
2. Instructions for e-voting
3. Proxy Form
4. Attendance Slip

Route Map to the venue of the AGM



NOTICE TO THE 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting (AGM) of the members of TeamLease Services Limited (CIN L74140MH2000PLC124003) ("Company") will be held on Friday, July 07, 2017 at 3.00 pm IST at the Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059, Maharashtra, India, to transact the following business:

Ordinary Business

Item No. 1 : Adoption of financial statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors ("the Board") and Auditors thereon.

Item No. 2 : Appointment of Mr. Manish Mahendra Sabharwal as a director liable to retire by rotation

To appoint a Director in place of Mr. Manish Mahendra Sabharwal who retires by rotation and being eligible, seeks re-appointment.

Explanation: Under the terms of clause 58 of the Articles of Association of the Company, executive directors and non-executive directors other than independent directors are liable to retire by rotation and can seek reappointment. Mr. Manish Mahendra Sabharwal was appointed as executive 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 that Mr. Manish Mahendra Sabharwal is required to retire by rotation, he would need to be re-appointed as whole-time director.

Therefore, shareholders are requested to consider and, if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Manish Mahendra Sabharwal as whole-time Director to the extent that he is required to retire by rotation.

ITEM NO. 3 : Appointment of auditors

To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.

RESOLVED that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee and

the Board of Directors, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration Number 101049W/E300004) be and are hereby appointed as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Members of the Company to be held in 2022 subject to the ratification of their appointment by the shareholders of the Company in every subsequent Annual General Meeting to be held during the tenure of their appointment and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018, as may be determined by the Audit Committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

Note: M/s. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, will complete their term as Statutory Auditors of the Company and will hold the office till the conclusion of the ensuing Annual General Meeting. The Audit Committee and the Board of Directors recommend M/s. S R Batliboi & Associates LLP, Chartered Accountants to be appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2022. The Company has received the consent and declaration from S R Batliboi & Associates LLP giving their consent and stating that they are not disqualified from acting as Auditors if they are appointed by the members. The resolution is placed before the members for their approval. None of the directors or KMPs are interested or concerned in the resolution.

Special Business

Item No. 4

Ratification of Employee Stock Option Plan 2015 of TeamLease Services Limited

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and applicable provisions of the Companies Act, 2013 read with the rules made thereunder, the 'Employee Stock Option Plan 2015' ("New Scheme 2015") which was implemented from October 1, 2015, as amended from time to time, salient features and other relevant details of which are provided in the explanatory statement to the notice of extraordinary general meeting dated July 10, 2015, and a copy of the aforesaid scheme as tabled at the said meeting be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Company be and is hereby authorized to continue to grant further options under ESOP 2015 along with the existing grants not exceeding 1,28,193 exercisable into not more than 1,28,193 equity shares of face value of ₹10/- (Rupees Ten) each fully paid-up.

RESOLVED FURTHER THAT, in case of any corporate action(s) such as rights issues, bonus issues, merger, or sale of divisions(s) of the Company or other similar events during the tenure of these grants the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits consequent to the above mentioned events shall be passed on the eligible grantees on vesting of their options under the New Scheme.

RESOLVED FURTHER THAT, the consent of the Company be and is hereby accorded to the Trustees of the TeamLease Employee Stock Option Plan Trust to utilize the equity shares which remain unutilized with the Trust, towards the New Scheme.

RESOLVED FURTHER THAT, the Trustees of the TeamLease Employee Stock Option Plan Trust be and are hereby authorized to determine all other terms and conditions of the functioning and operation of the Trust.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable including without

limitation, to make modifications, changes, variations, alterations or revisions in the TeamLease ESOP Scheme (New Scheme) as it may deem fit, seek requisites approvals from the appropriate authorities, appointment of consultants, advisors and other agencies.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Bank to give effect to this resolution."

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve and bring into effect the ESOP Scheme (New) on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modifications(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP Scheme (New) in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation(s), modification(s) or alteration(s) is detrimental to the interests of the employees including but not limited to, amendments with respect to the vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOP Scheme (New), without any form of further reference, confirmation, approvals or sanctions from the members of the Company, to the extent permissible by the SEBI (Share Based Employee Benefits) Regulations, 2014 and other relevant regulations in force.

Item No. 5

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

RESOLVED THAT pursuant to provisions of Regulation 12 (1) SEBI Share Based Employee Benefit Regulation 2014, and as recommended by the Nomination and Remuneration Committee in its meeting held on February 02, 2017 and as recommended by the Board of Directors in their meeting held on February 02, 2017 and subject to compliance of such regulations made there under and subject to the approval of various authorities required, if any, the consent of the members be and is hereby accorded for sanctioning the ESOP grants along with the vesting schedule to the following employees of the Company.

Fresh grants on October 01, 2016					No. of ESOPs vesting on			
E-code	Employee name	Date of grant	Vesting period	ESOPs granted	1-Oct-17	1-Oct-18	1-Oct-19	1-Oct-20
T4593	Ravi Vishwanath	1-Oct-16	2 years	9,210	4,105	5,105	-	-
00411	Sharanabasappa Shirol	1-Oct-16	2 years	3,650	1,825	1,825	-	-
00024	Rituparna Chakraborty	1-Oct-16	2 years	11,400	5,700	5,700	-	-
T4255	Sudeep Kumar Sen	1-Oct-16	3 years	1,210	403	403	404	-
T7609	Santosh Thangavelu	1-Oct-16	4 years	4,000	1,000	1,000	1,000	1,000
Total				29,470	13,033	14,033	1,404	1,000

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable including without limitation, to make modifications, changes, variations, alterations or revisions in the TeamLease ESOP Scheme (New Scheme) as it may deem fit, seek requisite approvals from the appropriate authorities, appointment of consultants, advisors and other agencies.

RESOLVED FURTHER THAT, in case of any corporate action(s) such as rights issues, bonus issues, merger, or sale of divisions(s) of the Company or other similar events during the tenure of these grants the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted

under applicable laws, so as to ensure that fair and equitable benefits consequent to the above mentioned events shall be passed on to the eligible grantees on vesting of their options under the New Scheme.

RESOLVED FURTHER THAT, the consent of the Company be and it is hereby accorded to the Trustees of the TeamLease Employee Stock Option Plan Trust to utilize the equity shares which remain unutilized with the Trust, towards the New Scheme and to give effect to these resolutions.

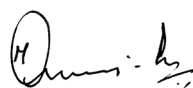
RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to this resolution."

Registered office:

No.6, 3rd Floor, Laxmi Towers,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

May 18, 2017

By Order of the Board of Directors



Mruthunjaya Murthy
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of not exceeding fifty members and holding in aggregate, not more than 10% of the total share capital of the Company.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed in all respect, must be deposited at the Company's Registered office not less than 48 hours before commencement of the meeting (on or before July 05, 2017, 3.00 PM IST). A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / Proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Books will remain closed from July 01, 2017 to July 07, 2017 (both days inclusive) for the purpose of AGM.

9. With a view to using natural resources responsibly, we request shareholders to update their email address with their depository participants to enable the Company to send communication electronically.
10. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has provided the facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited.. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote-voting prior to AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
11. The Annual Report 2016-17, the Notice of the 17th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
12. Members may also note that the Notice of 17th AGM and the Annual Report 2016-17 of the Company is posted on the Company's website www.teamlease.com. The physical copies of the documents will also be available at the Company's registered office for inspection during the business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may please write to us at corporateaffairs@teamlease.com
13. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/declaration of their appointment/re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and share Transfer Agents, Karvy Computershare Private Limited, Unit TeamLease Services Limited, Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.
15. All documents referred to the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days upto the date of the AGM.
16. Attendance registration :
 - Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

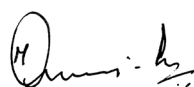
The Shareholder needs to furnish the printed Attendance Slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM venue.

Registered office:

No.6, 3rd Floor, Laxmi Towers,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

May 18, 2017

By Order of the Board of Directors



Mruthunjaya Murthy
Company Secretary

Additional information on directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Manish Mahendra Sabharwal (DIN: 0969601)

Mr. Manish Mahendra Sabharwal is the Executive Chairman of the Company. Prior to co-founding the Company, he co-founded India Life, a human resource outsourcing company in 1996 that was acquired by Hewitt associates in 2002. Consequently, he was chief executive officer of Hewitt Outsourcing (Asia) based in Singapore. Manish also serves on various state and central government committees on education, employment and employability and is a columnist for Indian Express. Mr. Manish Mahendra Sabharwal is also a part time non official Director of Reserve Bank of India.

Disclosure of relationship between directors inter se

Nil

Listed companies (other than TeamLease Services Limited) in which Mr. Manish Mahendra Sabharwal holds directorship and committee chairmanship/membership:

Directorship:

- Pennar Industries Limited
- Pennar Engineered Building Systems Limited

Chairperson of Board Committees

Nil

Member of Board Committees

Audit Committee of Pennar Engineered Building Systems Limited

Nomination & Remuneration Committee of Pennar Engineered Building Systems Limited

Shareholding in the Company

Nil

Instructions for e-voting

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

Explanatory Statement as required under the provisions of Section 102 of the Companies Act, 2013

Item No. 4

Ratification of TeamLease ESOP Scheme (New Scheme 2015).

As per Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [SEBI (SBEB) Regulations 2014].

The Company under the approval granted by shareholders prior to listing i.e. pursuant to the resolutions passed by the shareholders on July 10, 2015 had implemented New Employee Stock Option 2015 as per Regulation 12 of SEBI (SBEB) Regulations, 2014 and no further grants can be granted without the scheme being ratified by the members post listing. The Company intends to grant new options as recommended by Nomination and Remuneration Committee to some of the existing employees of the Company and hence this resolution is placed before the members for their approval. The salient features of the scheme is listed as under. None of the Directors or KMP's are concerned or interested in the resolution.

Disclosures relating to new Scheme 2015 as required under the SEBI (SBEB) Regulations, 2014 are as under:

Particulars	Description
Brief Description of the scheme	The purpose of the ESOP (New Scheme 2015) 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 ESOP is aimed to reward its employees for their continuous hard work, dedication and support. The main objective of the ESOP Scheme 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.
Total Number of options, SARs, shares or benefits, as the case may be to be granted	Stock options not exceeding 2,01,114 in number
Identification of classes of employees entitled to participate and the beneficiaries in the scheme	Present as well as future employees and Director (s) other than Independent Directors of the Company as determined by the Company or a Committee thereof.
Requirements of vesting and period of vesting	Options granted under the scheme would vest not before one year from the date of grants given
Maximum period within which the options /SARs benefit shall be vested	The Vesting of grants can extend upto five years from the date of grant of options
Exercise Price/Pricing formula	The value of price per share to be charged for the purpose of exercising the options from the employees will be at the face value of shares.
Lock-in period	Equity shares acquired pursuant to options shall have one year lock in period from the date of vesting of grants.
Exercise period and process of exercise	<p>From the date of vesting of the options, the employees shall be entitled to exercise the options from time to time with such period as may be prescribed by Board or a Committee thereof, which period shall not exceed five years from the date of the respective grants</p> <p>The options would be exercisable by the said employees by the payment of the consideration amount and submitting the requisite application form after which the shares would be allotted.</p> <p>The Board or the Committee thereof, may at its discretion, do all such acts deeds, matter and things as may be necessary /desirable to facilitate exercise of options by the employee under full cash mode or otherwise.</p>
The appraisal process for determining the eligibility of employees for the scheme	All employees mentioned above against the point 3 (ii) of the scheme – and clause 6 (basis for determining the number of options to be granted) of the scheme.
Whether the scheme(s) is to be implemented and administered directly by the company or through a trust	The Scheme is administered through a Trust.
Acquisition of shares by the Trust	The shares have been transferred by the Promoters initially.
A statement to the effect that the company shall conform to the accounting policies specified in regulation 15	It is hereby confirmed that the Company does conform to the accounting policies specified in Regulation 15 of the SEBI (Share Based Employee Benefits) Regulations, 2015.
The method which the company shall use to value its options	The Company use intrinsic value method for accounting the cost of share based employee benefits.
In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Director's report and the impact of this difference on profits and on earnings per share (EPS) of the company shall also be disclosed in the Director's Report	It is hereby confirmed that the details as required herein will be disclosed in the Director's Report.

Item No. 5

Approval for New Grants to be sanctioned under the ESOP Scheme (New Scheme 2015)

The Nomination and Remuneration Committee in their meeting held on 2 February, 2017 have recommended to the Board of Directors of the Company subject to the approval of shareholders in the Annual General Meeting for sanctioning of the new grants under New Scheme 2015, which can be vested from October, 2017 onwards. The new grants proposed to be sanctioned is restricted to 29,470 options which are presently available in the ESOP Trust. The grants have been provided to the leadership team other than Directors. As required under Regulation of SEBI (SBEB) Regulations, 2014 the approval of the members is mandatory for new grants and hence it is placed before the members of the Company for their consent. None of the Directors or KMP's other than Mr. Ravi Vishwanath, Chief Financial Officer of the Company are interested or concerned in the resolutions. Mr. Ravi Vishwanath holds 39,525 equity shares in the Company prior to this grants. As per the SEBI (SBEB) Regulation 2014, the Company has not granted to any employees of the Company or the employees of the subsidiary company the total grants aggregating to more than 1 % of the total shareholding of the Company including the present grants placed for the members approval. The list of proposed grantees and vesting schedule are as per the following table.

Fresh allotment on Oct 1, 2016					No. of ESOPs vesting on			
E-code	Employee name	Date of grant	Vesting period	ESOPs granted	1-Oct-17	1-Oct-18	1-Oct-19	1-Oct-20
T4593	Ravi Vishwanath	1-Oct-16	2 years	9,210	4,105	5,105		
00411	Sharanabasappa Shirol	1-Oct-16	2 years	3,650	1,825	1,825		
00024	Rituparna Chakraborty	1-Oct-16	2 years	11,400	5,700	5,700		
T4255	Sudeep kumar Sen	1-Oct-16	3 years	1,210	403	403	404	
T7609	Santosh Thangavelu	1-Oct-16	4 years	4,000	1,000	1,000	1,000	1,000
Total				29,470	13,033	14,033	1,404	1,000

Proxy form

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules 2014- Form No. MGT-11]



TEAMLEASE SERVICES LIMITED

CIN: L74140MH2000PLC124003

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

Tel: 91 80 33002345 | Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamlease.com

17th Annual General Meeting – July 07, 2017

Name of the member(s)

Registered address

E-mail

Folio No. /Client ID

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DP ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

Name: _____ E-mail: _____

Address: _____

Signature: _____

Or failing him/her

Name: _____ E-mail: _____

Address: _____

Signature: _____

Or failing him/her

Name: _____ E-mail: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th AGM of the Company, to be held on Friday, July 07, 2017 at 3.00 pm IST at the Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	Adoption of financial statements (including the consolidated financial statements)			
2	Re-Appointment of Mr. Manish Mahendra Sabharwal retires by rotation and being eligible, offered himself for Re-appointment			
3	Appointment of Auditors			
Special business				
4	Ratification of ESOP Scheme, 2015			
5	Approval of the new Grants under ESOP Scheme, 2015			

Signed this _____ day of _____ 2017.

Signature of the member

Signature of the proxy holder(s)

Affix revenue
stamp of not
less than
₹1

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before July 05 2017, at 3.00 PM IST).
2. It is optional to indicate your preference. If you leave the 'for,' against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Attendance slip



TEAMLEASE SERVICES LIMITED

CIN: L74140MH2000PLC124003

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

Tel: 91 80 33002345 | Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamlease.com

17th Annual General Meeting – July, 07, 2017

Folio no./Client ID/DP ID:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member/proxy authorized representative for the member of the Company.

I hereby record my presence at the 17th Annual General Meeting of the Company at Hotel Kohinoor Continental, Andheri Kurla Road, Andheri East, Mumbai - 400 059, Maharashtra, India on Friday, July 07, 2017 at 3.00 PM IST.

Name of the member/proxy
(in BLOCK letters)

Signature of the member/proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM.

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TEAMLEASE SERVICES LIMITED

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

Tel: 91 80 33002345 | Fax: 91 80 33243001

corporateaffairs@teamlease.com | www.teamlease.com

17th Annual General Meeting – July 07, 2017

Registered Folio no./DP ID no./Client ID no.:	Number of shares held:
---	------------------------

Dear member,

Subject: Instructions for e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening 17th Annual General Meeting to be held on Friday, July 07, 2017, at 3:00 PM IST. The Company has engaged the services of the Karvy to provide the e-voting facility. The Notice is displayed on the Company's website, www.teamlease.com/investors 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
3051		

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
July 03, 2017 at 9:00 am IST	July 06, 2017 at 5:00 pm IST

Please read the instructions printed below before exercising your vote:

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on July 07, 2017.

Steps for e-voting

1. Open the internet browser and type the following URL

https://evoting.karvy.com	
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2. Click on **Shareholder-Login**
3. If you are already registered with Karvy for e-voting, then you can use your existing User ID and Password for Login.

Instructions for e-voting

Remote e-voting: In compliance with Regulation 44, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for the purpose of providing e-voting facility to all its members. The instructions for e-voting are as follows:

(A) In case a member receives an email from Karvy [for members whose email IDs are registered with the Company/Depository Participant(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) 3051 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You

may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email scrutinizer@teamlease.com 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 Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company /Depository Participant(s)]:

- i. E-Voting Event Number - 3051 (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.
- iii. **Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e- voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Rajitha Cholleti / Premkumar Nair, (Unit: TeamLease Services Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
 - b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - c. The remote e-voting period commences on July 03, 2017 (9:00 A.M. IST) and ends on July 06, 2017 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 30, 2017, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
 - d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. June 30, 2017.
 - e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. June 30, 2017, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.
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Disclaimer

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



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