



August 14, 2018

**BOMBAY STOCK EXCHANGE LTD,  
PHIROZE JEEJEEBHOY TOWERS,  
DALAL STREET,  
MUMBAI 400 001.**

Fax No.022-22723121/2061/2039

Dear Sir,

**Ref: Scrip Code: 532633**

**SUB: Filing of Annual Report 2017-2018**

Please find enclosed Annual Report for the Financial Year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for your reference and records.

Kindly acknowledge the receipt of the above.

Thanking You,

Yours faithfully,  
for **ALLSEC TECHNOLOGIES LTD**

  
**Gagan Preet Singh**  
**DGM Legal & Company Secretary**

Encl: As above

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**ALLSEC TECHNOLOGIES LTD.**

46-B, Velachery Main Road, Velachery, Chennai - 600 042

Tel : +91.44.4299 7070 Fax : +91.44.2244 7077 web : [www.allsectech.com](http://www.allsectech.com)

**Regd. Office :** 7H Century Plaza, 560-562, Anna Salai, Teynampet, Chennai - 600 018

Corporate Identity Number : L72300TN1998PLC041033, Email : [contactus@allsectech.com](mailto:contactus@allsectech.com)



# ALLSEC TECHNOLOGIES LIMITED



*Annual Report*  
*2017 - 18*

# ALLSEC HRO

Comprehensive Digital HRO Services

## SmartHR

A comprehensive platform for your  
Global HR and Payroll needs

### End to End

Low Touch



Payroll



Expense



Onboarding



T&A, Leave



Statutory

### Global Presence

Global Platform, Local Compliance

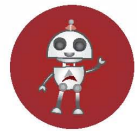


### Automation

Measurable, Predictable



RPA



Chatbots



Analytics



Digital  
Compliance

## DATA SECURITY

Data is completely safe with Allsec. Our rigorous security practices include:

1. encryption based controls
2. well-laid infrastructure
3. extensive documentation and
4. periodic audits by reputed firms across the globe.







### Board of Directors

Mr. T. Anantha Narayanan  
Mr. C. Jayaram  
Mr. D. Padmanabhan  
Ms. Lalitha Sankaran  
Mr. A. Saravanan  
Mr. R. Jagadish

Chairman  
Director  
Director  
Director  
Director  
Director & CEO

### Management Team

Mr. R. Vaithiyanathan  
Mr. P. Raghunath  
Mr. C. Mahadevan  
Mr. Saravanan Thambusamy

Senior Vice President - Operations & HR  
Vice President - Finance  
Vice President - HR Operations  
Vice President - Technology

### DGM-Legal & Company Secretary

Mr. Gagan Preet Singh

### Auditors

Walker Chandiok & Co., LLP,  
Chartered Accountants,  
7<sup>th</sup> Floor, Prestige Polygon,  
471, Anna Salai, Teynampet,  
Chennai 600 018, India

### Registered Office

7H, Century Plaza,  
560-562, Anna Salai,  
Teynampet,  
Chennai 600 018.

### Corporate Office

46B, Velachery Main Road,  
Velachery, Chennai 600 042.

### Bankers

- Canara Bank
- HDFC Bank

### Registrars & Transfer Agents

KARVY Computershare Private Limited,  
Karvy Selenium Towers, No. - B,  
Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad 500 032.



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**Notice** is hereby given that the 19<sup>th</sup> Annual General meeting of the Shareholders of **ALLSEC TECHNOLOGIES LIMITED** will be held at 10 a.m. on Thursday, the 9<sup>th</sup> Day of August 2018 at Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018 to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Board's Report and the Auditors' Report thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Auditors' Report thereon.
2. To declare final dividend for the year ended March 31, 2018.
3. To appoint a Director in the place of Mr. A. Saravanan (DIN: 00033683), who retires by rotation and being eligible, offers himself for re-appointment.

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the Member organization.  
  
A person can act as a proxy on behalf of Members (not exceeding 50 Members) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. Revenue Stamp should be affixed on Proxy form along with the shareholder and Proxy holder signature without which the forms will be invalid.
2. The Securities and Exchange Board of India has made it mandatory for all companies to use the

bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS facility is available. Hence, the members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, ECS mandates, power of attorney, change of address / name, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the Depository Participant will help the Company and its Registrars to provide efficient and better services to the Members.

3. In case of joint holders attending the AGM, only such joint holder who is senior by the order in which the names stands in the register of members will be entitled to vote.
4. The Register of Members of the Company and Transfer Books thereof will be closed from August 1, 2018 to August 9, 2018.

Relevant documents referred to in the Notice are open for inspection by the Members at the Corporate Office of the Company on all working days, except Saturdays and Sundays, during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.

5. Details of Director retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs - New Delhi. Accordingly no resolution is proposed for ratification of appointment of Auditors, who were appointed in Annual General Meeting held on August 11, 2016.
7. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
8. The Company has fixed July 31, 2018 as the "Record Date" for determining entitlement of



members to dividend for the financial year ended March 31, 2018. The proposed dividend of INR 5 per share on the face value of equity shares, if declared at the Meeting as recommended by the Board of Directors, will be credited / despatched to those members whose names appear on the Company's Register of Members on the Record Date; in respect of the shares held in dematerialised mode, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

9. Members holding shares in electronic mode may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or Karvy cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant (DP) by the Members.
10. The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is Karvy Computershare Private Limited ("Karvy") having its office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.
11. As per the Circular No.17 / 95 / 2011 CL-V dated April 21, 2011 issued by the Ministry of Corporate Affairs, to facilitate the Green Initiative in the Corporate Governance, share holders are allowed to receive the Notice / Documents like Annual report, etc. through electronic mode i.e., to their e-mail address registered with the Company / Depository Participant.
12. In line with the above initiative by the Ministry of Corporate Affairs, all the members are requested to update their email address on their respective depository account with the Depository Participant to provide better service at all times.
13. Electronic copy of the Notice of the 19<sup>th</sup> Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 19<sup>th</sup>

Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

14. For your immediate reference, the Company is also providing the location / route map to reach the venue of the Annual General Meeting of the Company.
15. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / Karvy.
16. Copies of the Annual Report will not be distributed at the AGM. Members are requested to bring their attendance slip along with a copy of Annual Report to the Meeting.

### Voting through electronic means

17. The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Karvy Computershare Private Limited as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 19<sup>th</sup> Annual General Meeting of the Company (the AGM Notice).
18. The facility for voting through ballot / polling paper shall also be made available at the venue of the 19<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
19. The Company has appointed M/s Srinivasan & Shankar, Chartered Accountants, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed August 3, 2018 as the 'Cut-off Date'. The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. August 3, 2018 only.



## INSTRUCTIONS FOR E VOTING

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
  - (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participants (s)]:
    - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, click on "LOGIN".
    - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [mani@srinishankar.com](mailto:mani@srinishankar.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format " Corporate Name\_Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company / Depository Participants (s)]:





- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. 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 (Unit: Name of the Company) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on August 6, 2018 (9.00 A.M. IST) and ends on August 8, 2018 (05.00 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 August 3, 2018, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes 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. August 3, 2018.

- 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., August 3, 2018, he / she may obtain the User ID and Password in the manner as mentioned below:
- f. 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

- g. 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.
- h. Member may call Karvy's toll free number 1800-3454-001.
- i. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

## PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN / ATTENDANCE REGISTRATION

Web Check-in / Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration / entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Checkin for General Meetings (AGM / EGM / CCM)".

## Notice of Annual General Meeting



ALLSEC TECHNOLOGIES LIMITED

- b. Select the name of the company: Allsec Technologies Limited.
- c. Pass through the security credentials viz., DP ID / Client ID / Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., 06th August 2018 (09.00 A.M. IST) to 08th August 2018 (05.00 P.M. IST).
- i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

Place: Chennai  
Date: May 24, 2018

**Registered Office:**

7H, Century Plaza, 560-562,  
Anna Salai, Teynampet, Chennai-600018  
Email: investorcontact@allsectech.com  
CIN: L72300TN1998PLC041033

By Order of the Board of Directors

**Gagan Preet Singh**  
DGM-Legal & Company Secretary  
FCS No.: 7250



**Annexure to Item No. 3 of the Notice**  
**Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting**

Name of the Director	Mr. A. Saravanan
Date of Birth	April 18, 1962
DIN	00033683
Date of Appointment on the Board	August 24, 1998
Qualifications	B.Sc. (Physics), Chartered Accountant from Institute of Chartered Accountant of India
Shareholding in Allsec	31,12,119 Equity Shares of INR 10/- each (20.42 % on the paid-up capital)
List of Directorship held in Companies	Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippines Retreat Capital Management Inc., USA
Nature of expertise in specific functional areas	Mr. A. Saravanan is a qualified Chartered Accountant. He has over 25 years of experience in finance and management across different industry segments, which he has effectively used whilst being the co-promoter of the Allsec group of companies. He headed marketing initiatives in areas of investments, merchant banking, portfolio management, brokerages and debt syndication for Allsec group of companies. As the Promoter Director, he is responsible for business development, strategy and finance and he also directly oversees the US operations of the Company.

By Order of the Board of Directors

**Gagan Preet Singh**

DGM-Legal & Company Secretary

FCS No.: 7250

Place: Chennai  
Date: May 24, 2018

**Registered Office:**

7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai-600018  
Email: investorcontact@allsectech.com CIN: L72300TN1998PLC041033



ALLSEC TECHNOLOGIES LIMITED

*Financial Highlights*  
*Standalone & Consolidated*





(INR in Lakhs)

S. No.	Particulars	Year Ended March 31, 2018*	Year Ended March 31, 2017*	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
<b>A</b>	<b>Profit and Loss Account</b>										
	Revenue	12,878	11,621	10,836	9,747	10,674	10,747	12,471	14,154	12,208	9,649
	Gross Profit before Interest, depreciation & Tax (EBITDA)	2,828	2,225	1,525	485	1,368	736	(328)	686	370	180
	Profit before taxation	2,478	2,037	1,245	(130)	543	(333)	(1,470)	(394)	(681)	(702)
	Profit after taxation	2,899	2,254	948	(174)	543	(333)	(1,470)	(394)	(681)	(722)
<b>B</b>	<b>Balance Sheet</b>										
	Net Fixed Assets	1,013	765	745	927	1,769	2,384	3,131	3,588	3,569	2,666
	Investments	10,857	10,328	6,724	5,282	6,178	3,532	3,118	4,252	2,715	4,538
	Net Current Assets	3,248	1,858	4,966	5,387	4,161	5,650	5,762	5,775	7,644	7,210
	<b>Total Assets</b>	<b>15,118</b>	<b>12,951</b>	<b>12,435</b>	<b>11,596</b>	<b>12,108</b>	<b>11,566</b>	<b>12,011</b>	<b>13,615</b>	<b>13,928</b>	<b>14,414</b>
<b>C</b>	Share Capital	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
	Reserves & Surplus	16,072	13,173	10,876	9,928	10,497	9,954	10,287	11,756	12,150	12,831
	<b>Net Worth</b>	<b>17,596</b>	<b>14,697</b>	<b>12,400</b>	<b>11,452</b>	<b>12,021</b>	<b>11,478</b>	<b>11,811</b>	<b>13,280</b>	<b>13,674</b>	<b>14,355</b>
	Loan Funds	65	25	35	144	88	88	200	336	256	59
	<b>Total Liabilities</b>	<b>17,661</b>	<b>14,722</b>	<b>12,435</b>	<b>11,596</b>	<b>12,109</b>	<b>11,566</b>	<b>12,011</b>	<b>13,616</b>	<b>13,930</b>	<b>14,414</b>
<b>C</b>	<b>EPS (in INR)</b>	<b>19.0</b>	<b>14.3</b>	<b>6.2</b>	<b>(1.1)</b>	<b>3.5</b>	<b>(2.1)</b>	<b>(9.6)</b>	<b>(2.5)</b>	<b>(4.4)</b>	<b>(4.7)</b>
	Diluted EPS (in INR)	19.0	14.3	6.2	(1.1)	3.4	(2.1)	(9.6)	(2.5)	(4.4)	(4.7)
	Book Value per share	115.46	96.44	81.36	75.14	78.88	75.33	77.5	87.15	89.74	94.2
	Return on Capital Employed (ROCE in %)	14%	14%	10%	(1%)	5%	(2%)	(12%)	(3%)	(5%)	(5%)
	Return on Networth (RONW in %)	16%	15%	8%	(2%)	5%	(3%)	(12%)	(3%)	(5%)	(5%)
	Fixed Assets Turnover (No of times)	12.71	15.19	14.54	10.51	6.03	4.51	3.98	3.94	3.42	3.62
	Working Capital Turnover (No of times)	3.96	6.25	2.2	1.80	2.57	1.90	2.16	2.45	1.60	1.34

\* Figures for year ended 31st March 2018 & 31st March 2017 are as per Ind AS whereas comparatives for previous years are based on earlier IGAAP.



S. No.	Particulars	(INR in Lakhs)									
		Year Ended March 31, 2018*	Year Ended March 31, 2017*	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
<b>A</b>	<b>Profit and Loss Account</b>										
	Revenue	32,496	31,812	23,338	15,086	19,962	32,007	18,314	15,852	13,475	10,383
	Gross Profit Before Interest, Tax, Depreciation & Amortisation (EBITDA)	6,825	6,862	4,192	(41)	(3,452)	4,057	443	691	377	250
	Profit Before Taxation	6,359	6,328	3,453	(1,233)	(5,363)	2,063	(1,049)	(735)	(999)	(948)
	Profit After Taxation	5,953	6,172	3,094	(1,406)	(3,714)	884	(1,472)	(756)	(1,010)	(974)
<b>B</b>	<b>Balance Sheet</b>										
	Net Fixed Assets	2,424	2,173	2,231	2,652	3,906	4,293	4,634	5,183	4,368	3,820
	Investments	7,316	6,139	1,911	175	1,072	888	510	1,875	1,332	3,154
	Net Current Assets	8,447	4,762	5,175	3,239	1,570	6,312	5,048	4,955	6,980	6,561
	<b>Total Assets</b>	<b>18,187</b>	<b>13,074</b>	<b>9,317</b>	<b>6,066</b>	<b>6,548</b>	<b>11,493</b>	<b>10,192</b>	<b>12,013</b>	<b>12,680</b>	<b>13,535</b>
	Share Capital	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
	Stock Options Outstanding				-	-	-	-	101	108	124
	Reserves & Surplus	19,347	13,554	7,623	4,621	6,430	8,620	8,391	10,029	10,792	11,828
	<b>Net Worth</b>	<b>20,871</b>	<b>15,078</b>	<b>9,147</b>	<b>6,145</b>	<b>7,954</b>	<b>10,144</b>	<b>9,915</b>	<b>11,654</b>	<b>12,424</b>	<b>13,476</b>
	Loan Funds	65	25	256	82	260	325	23	336	256	59
	Deferred Tax Assets (Net)	(1,633)	(683)	(86)	(161)	(1,666)	-	-	-	-	-
	Minority Interest	-	-	-	-	-	1,024	254	22	-	-
	<b>Total Liabilities</b>	<b>19,303</b>	<b>14,420</b>	<b>9,317</b>	<b>6,066</b>	<b>6,548</b>	<b>11,493</b>	<b>10,192</b>	<b>12,013</b>	<b>12,680</b>	<b>13,535</b>
<b>C</b>	<b>EPS (In INR)</b>	<b>38.02</b>	<b>38.10</b>	<b>20.30</b>	<b>(9.23)</b>	<b>(16.43)</b>	<b>1.28</b>	<b>(11.14)</b>	<b>(4.97)</b>	<b>(6.63)</b>	<b>(6.39)</b>
	Diluted EPS (In INR)	38.02	38.10	20.30	(9.23)	(16.43)	1.28	(11.14)	(4.97)	(6.63)	(6.39)
	Book Value per Share	136.95	98.94	60.02	40.32	52.19	66.56	65.06	76.48	81.53	88.43
	Return on Capital Employed (ROCE in %)	31%	43%	38%	(18%)	(63%)	23%	(10%)	(6%)	(8%)	(7%)
	Return on Networth (RONW in %)	29%	41%	34%	(23%)	(31%)	2%	(17%)	(7%)	(8%)	(7%)
	Fixed Assets Turnover (No of times)	13.41	14.64	10.46	5.69	5.11	7.46	3.95	3.06	3.08	2.72
	Working Capital Turnover (No of times)	3.85	6.68	4.51	4.66	12.71	5.07	3.63	3.20	1.93	1.58

\* Figures for year ended 31st March 2018 & 31st March 2017 are as per Ind AS whereas comparatives for previous years are based on earlier IGAAP.



## Directors' Report

The Directors take pleasure in presenting to you the 19<sup>th</sup> Annual Report of the Company covering the financial year ended March 31, 2018.

## FINANCIAL HIGHLIGHTS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 1, 2017. The performance of the Company for the financial year 2017-18 is summarized below:

(INR In Lakhs)

	STANDALONE			CONSOLIDATED		
	YEAR ENDED			YEAR ENDED		
	31-Mar-18	31-Mar-17	F/(A)*	31-Mar-18	31-Mar-17	F/(A)*
INCOME FROM SERVICES	12,878	11,621	11%	32,496	31,812	1%
TOTAL COSTS	10,568	9,701	(9%)	26,393	25,540	(3%)
OPERATING MARGIN	2,310	1,920	20%	6,103	6,272	(3%)
OTHER INCOME	518	305	70%	677	589	15%
DEPRECIATION	328	336	2%	450	554	19%
INTEREST EXP /(INCOME)	22	(148)	(115%)	(29)	(21)	37%
PROFIT / (LOSS) BEFORE TAX	2,478	2,037	22%	6,359	6,328	0%
PROFIT / (LOSS) AFTER TAX	2,899	2,254	29%	5,953	6,172	(3%)

\* F/(A) means Favorable / (Adverse)

## Business Outlook

Allsec Technologies Limited has two core business units. One is Human Resources Outsourcing (HRO) business that offers the following services as part of its service offering: Managed payroll services, Human Resources Management Services (HRMS) & Employee Statutory services. The Second business unit offers Customer Life Cycle Management (CLM) to customers across the globe. This service is offered across verticals like Retail, BFSI (Banking Financial Services & Insurance), E-Commerce, F&A (Finance & Accounting), Manufacturing & Home Appliance Companies in both the domestic market as well as in the International market.

The HRO business unit has continued to grow steadily this year making inroads into the Asian, Middle-East and African markets. There has been increased focus in offering the services in multiple formats like managed services, SAAS based services, and as a stand-alone product. As of this year, Allsec's Payroll services are utilized by customers across 35 countries in the world. Additionally, the service is also offered as a bundled offering with other significant modules like Time & attendance, Absence management, Reimbursement & expense management and Performance Management systems. The division has also entered into strategic tie-ups with global leaders for Payroll Compliance support in new geographies and in Time keeping for offering payroll services on a common platform.

On the technology front the Company has adopted new cutting edge technologies like Robotic Process Automation (RPA), Machine Learning, Big data & Chatbots. The portfolio of services continues to be augmented and value additions are offered to existing clients and to prospects. These technology enabled services will power the Company to break new grounds globally, allow organic growth and facilitate new customer acquisitions.

The CLM-Domestic business has improved in volumes and in margins as compared to the previous year. This is a result of our strategy of identifying processes that have better margins and also by strengthening relationships with existing clients by way of client farming and relationship nurturing. During this year incremental volumes have been added in most of the existing businesses through volume increase and process additions.

The CLM-International business has remained stable over the last year. The Company has focused on non-voice opportunities and has added a few new verticals like 'Energy sector' and 'healthcare'. Additionally, the Company is investing in emerging technologies to improve margins and to pass on cost savings to customers.

Overall financial performance of your Company has improved substantially during this year. Profit before Tax (PBT) has increased from INR 2,037 lakhs last year to INR 2,478 Lakhs (22%). Your Company has reported Net



profit after tax for the current year at INR 2,899 Lakhs as compared to Net profit after tax of INR 2,254 lakhs for the previous year. Detailed analysis of the Standalone results forms part of the Management Discussion and Analysis (MD&A) report provided separately as part of the Annual Report.

Consolidated Revenues for the year stands at INR 32,496 lakhs as compared to INR 31,812 lakhs in the previous year. Consolidated Profit before Tax (PBT) stood at INR 6,359 lakhs compared to INR 6,328 lakhs in the previous year. Net profit after tax stood at INR 5,953 lakhs as compared to INR 6,172 lakhs in the previous year.

The Company has delivery centers in India at Chennai, Bangalore & NCR locations. In the international front, Allsec has centers in Manila (Philippines) and Dallas (United States of America).

### Dividend

The Board of Directors of your Company recommend a dividend of INR 5/- per share of the face value of INR 10/- each for the financial year ended March 31, 2018. The dividend shall be payable subject to approval by the members in the ensuing Annual General Meeting.

### Deposits

Your Company has not accepted any deposit from the public during the period under review and did not have any outstanding deposits.

### Directors

Mr. Manish Gaur (DIN : 00340911) & Mr. Kapil Modi, (DIN : 07055408) Nominee Directors of First Carlyle Ventures Mauritius on the Board of the Company resigned during the year with effect from February 15, 2018. The Board wishes to place on record its sincere appreciation for the valuable services rendered by them.

Mr. A. Saravanan, Director retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### Key Managerial Personnel

The Key Managerial Personnel of the Company is provided below:

1. Mr. R. Jagadish – Chief Executive Officer
2. Mr. P. Raghunath – Chief Financial Officer
3. Mr. Gagan Preet Singh – Company Secretary

Mr. A. Mohan Kumar resigned during the year and Mr. Gagan Preet Singh has joined the Company as DGM-Legal and Company Secretary with effect from November 9, 2017.

### Employees

The information relating to Employees to be given under Section 197(12) of the Companies Act, 2013 is given in Annexure G.

### Corporate Governance

Your Company is fully compliant with the requirements under SEBI (LODR) Regulations, 2015. The report on Corporate Governance is given in Annexure A.

Certificate from Statutory Auditors confirming the compliance of conditions of Corporate Governance is included in Annexure B. CEO / CFO compliance certification is attached in Annexure I.

In terms of Regulation 34 of SEBI (LODR) Regulations, 2015, the Management Discussion and Analysis report is given in Annexure – C.

### Subsidiary Companies

The Company has three subsidiaries as at year end namely Allsec Tech Inc., USA, Allsectech Manila Inc., Philippines and Retreat Capital Management Inc., USA.

The Consolidated Financial statements of the Company and its subsidiaries are prepared in accordance with Indian Accounting Standards and forms part of this Annual Report and accounts.

The Annual Accounts of the said subsidiaries and its related detailed information will be made available to the investors of the Company seeking such information at any point of time. The copies of the Annual accounts of the subsidiaries will also be available for inspection by any investor at the corporate office of the Company. Performance and financial position of subsidiaries included in consolidated financial statements of the Company is provided in Annexure-E.

The Company monitors performance of subsidiary companies (list of subsidiary companies has been provided in the financial statements), inter-alia, by the following means:

- a) The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.
- b) The Audit Committee reviews the financial statements, in particular, the investments made by the subsidiary companies on a quarterly basis.
- c) Your Company has formulated a Policy on Material Subsidiary as required under SEBI (LODR) Regulations, 2015 and the policy is hosted on the website of the Company under the web link <http://www.allsectech.com/Allsec/investor-information.aspx>





### Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company has complied with all the compliance requirements that are applicable to the Company and the detail of such compliances under Companies Act, 2013 are provided below:

### Extract of Annual Return

An Extract of the Annual Return as of March 31, 2018, pursuant to the sub section (3) of Section 92 of the Companies Act, 2013 and forming part of the report is placed in the Company's website under the Investor's tab <https://www.allsectech.com/investor-information>.

### Board Meetings held during the year

During the year, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as Annexure-A to this Report.

### Directors' Responsibility Statement

The Board of Directors acknowledges the responsibility of ensuring compliance with the provisions of Section 134(3)(c) of the 2013 Act. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements:

Your Directors confirm the following that:

- (i) In preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures wherever applicable;
- (ii) The Directors had 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 or loss of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a going concern basis.
- (v) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) Proper systems were in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

### Independent Directors and Board Evaluation

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013.

Independent Directors, considered / evaluated the performance of the Non-Independent Directors at a meeting without anyone from the Non-Independent Directors and Management present.

The Board members subsequently evaluated performance of the Board, the Committees and Independent Directors as per the criteria and questionnaire developed for the purpose as mandated by Section 134(3) of the Companies Act, 2013 & Rule (8) of the Companies (Accounts) Rules, 2014.

### Familiarisation Programme

Your Company follows an orientation and familiarization program through various reports / codes / internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy initiatives and risks involved. The details about the familiarization program have been posted on the website of the Company under the web link <http://www.allsectech.com/Allsec/investor-information.aspx>.

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy on appointment and remuneration including criteria for determining qualifications, positive attributes, and independence are provided in the Corporate Governance Report forming part as an Annexure-A to this Report.

### Related Party Transactions

The Company has formulated a policy on Related Party Transactions as approved by the Board and the same is uploaded on the Company's website <http://www.allsectech.com/Allsec/investor-information.aspx>

All the Related Party Transactions that were entered into by the Company during the financial year 2017-18, were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and are within the limits obtained by a prior approval in accordance with the requirements of the SEBI (LODR) Regulation, 2015. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a



potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company otherwise than disclosed in the Corporate Governance Report, forming part of this report.

Details of the transaction are provided in Form AOC-2 which is attached as Annexure - F to this Report.

### **Vigil Mechanism / Whistle Blower Policy**

In accordance with the requirements of the Companies Act 2013, your Company has established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees to report genuine concerns. The said Policy meets the requirement of the Vigil Mechanism framework under the 2013 Act, and the members can view the details of the policy on <http://www.allsectech.com/Allsec/investor-information.aspx>. No member has been denied access to Vigil Mechanism and no complaints have been received during the year.

### **Corporate Social Responsibility**

The Board of Directors of your Company has constituted the CSR Committee to help the Company to frame, monitor and execute the CSR activities.

As per Sec. 135 of the Companies Act 2013, the Board of every Company referred to in sub-section (1), shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.

As per computations made under Section 198 of the Companies Act, 2013, the Company must contribute approximately INR 23 lakhs as CSR Contribution. During the financial year 2017-18, the Company has formulated a CSR policy and the CSR committee had a meeting on January 24, 2018 which approved the proposal to contribute INR 6 lakhs towards education which falls under the categories prescribed in Schedule VII of the Companies Act 2013 under clause (ii) - promoting education, including special education and employment enhancing vocational skills specially among children, women, elderly and the differently abled and livelihood enhancement project.

Allsec's CSR initiatives are based on the focus areas approved by the Board and thereby benefitting the community. The Company is in the process of identifying specific long term projects to make CSR contributions. Although during the current year, the Company's spend on CSR activities has been less than the limits prescribed under the Companies Act, 2013, the Company shall endeavour to spend the complete amount on CSR activities in accordance with the Companies Act requirements in the coming year.

### **Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

### **Internal Financial Control and Adequacy**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

### **Auditors**

M/s. Walker Chandiok & Co., LLP the Statutory Auditors of the Company were appointed at the previous Annual General meeting held on 11th August 2016 for a period of 5 years. The Company has received necessary certificates under Sections 139 and 141 of the 2013 Act, to the effect that they satisfy the conditions under the 2013 Act and the rules made thereunder for the above appointment. As required under the SEBI (LODR) Regulations 2015, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### **Comments on Auditors' report**

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Company Secretary in Practice in their reports respectively. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

### **Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2018 and May 24, 2018 (date of the Report)**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2018) and the date of the Report (May 24, 2018).

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. P. Sriram, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is given as an Annexure- E and forms part of this Report.



## Names of Companies which have ceased / become Subsidiaries / Joint Ventures / Associates

During the year there is no change in the status of any subsidiary.

## Quality & Information Security

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of services and security of data of Clients, customers and Organization by developing and deploying simple, efficient and effective processes using the latest Quality models in accordance with ISO 9001 (Quality Management System) (QMS) interlined with data security controls prescribed by International standards such as ISO 27001:2013 (Information Security Management System). ISO 9001 certification at Chennai has been upgraded to latest version i.e. ISO 9001:2015 from ISO 9001:2008 which enhances strength of our QMS to a new level. ISO 27001:2013 certification renewal at Chennai and Manila facilities is completed. This year, our Bangalore facility is included in ISO 27001:2013 scope and this facility is also certified for ISO 27001:2013. PCI DSS compliance certifications at Chennai and Manila locations and ISO 27001:2013 certification at Irving facility are renewed during the year. Our Irving facility in the US is newly certified for PCI DSS this year. Further, existing SSAE 16 / ISAE 3402 which is a graduated version of SAS 70 Type II certification for the HRO business has been renewed and upgraded to SSAE 18 / ISAE 3402.

## Disclosure as per Securities and Exchange Board of India (Employees Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 2011

The options granted under the scheme have lapsed.

## Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since your Company is in the Information Technology Enabled Services (ITES) Sector, the provisions relating to conservation of energy and technology absorptions are not applicable. The details of the earnings and expenditure in foreign currency are given below:

Particulars	INR in Lakhs
Earnings in Foreign Currency	4,040
Expenditure in Foreign Currency	199
Dividend received in foreign currency	54

## Investor Services

Your Company will constantly endeavor to give the best possible services to the investors. Towards this end, the following are some of the initiatives taken by the Company:

The investor Information section of the Website of the Company ([www.allsectech.com](http://www.allsectech.com)), furnishes important financial details and other data of frequent reference by the investors as per the Regulation 46 of SEBI (LODR) Regulations, 2015. The Company also has a Stakeholders Relationship Committee to address shareholders grievances, if any, and resolve them as & when they are reported. The Company has provided an exclusive email id: [investorcontact@allsectech.com](mailto:investorcontact@allsectech.com) for the investors to facilitate the redressal of the queries and complaints of the investors.

The Company has appointed M/s. Karvy Computershare Pvt. Ltd. as Registrars & Share Transfer Agents for attending to issues relating to Physical shares and routine services requests.

Shareholders can also address any unresolved issues or information requests by postal mail to - Company Secretary, Allsec Technologies Ltd., 46B, Velachery Main Road, Chennai 600042.

Shareholders are requested to update their email addresses with their respective Depository Participants so that the Company can provide better services at all times.

## Acknowledgement

Your Directors wish to place on record their appreciation for the excellent support and co-operation given by customers, shareholders, service providers and Government Agencies.

Your Directors also record their appreciation and gratitude to Financial Institutions and Bankers for their continued support and timely assistance in meeting the Company's resource requirements. Your Directors acknowledge the dedicated services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Chennai  
May 24, 2018

**A. Saravanan**  
Director  
DIN : 00033683

**R. Jagadish**  
Director  
DIN : 00033589



## REPORT ON CORPORATE GOVERNANCE

### Corporate Governance Report

#### 1. Company's Philosophy:

The Company lays great importance on investor service, investor communication, highest level of transparency, accountability and responsibility in its operations and all interactions with its shareholders, investors, lenders, employees and the Government. Your Directors are committed to adopt the best Corporate Governance practices.

#### 2. Board of Directors:

The Board comprises of one Executive Director & CEO, one Non-Executive Director and four Independent Directors. The Board is chaired by an Independent Director Mr. T. Anantha Narayanan.

The Board functions as a full Board or through Committees. The policy decisions and control vests with Board and the operational issues are handled by the Committees. Both the Board and Committees meet at regular intervals.

The Board has the following Committees namely Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and CSR Committee.

During the year 2017 - 2018, 5 Board Meetings were held on May 15, 2017, August 10, 2017, November 9, 2017, February 6, 2018 & February 24, 2018.

Name	Designation	Category	Attendance		Other Board	
			Board Meeting	Last AGM	Director ships #	Committee Member ship \$
T. Anantha Narayanan	Chairman	Independent Non-Executive	5	Yes	1	1
Manish Gaur*	Director	Investor Nominee – Non-Executive	4	Yes	-	-
Kapil Modi*	Director	Investor Nominee – Non-Executive	4	Yes	-	-
Lalitha Sankaran	Director	Independent Non-Executive	4	Yes	-	-
C. Jayaram	Director	Independent Non-Executive	4	Yes	2	-
D. Padmanabhan	Director	Independent Non-Executive	5	Yes	-	-
A. Saravanan	Director & President	Non-Independent Non-Executive	5	Yes	-	-
R. Jagadish	Director & CEO	Non-Independent Executive	5	Yes	-	-

# Excluding Private Limited Companies, Foreign Companies, Section 8 Companies.

\$ Includes membership in Audit Committee and Share holders/Investor Relation committee only.

\* resigned w.e.f February 15, 2018.

#### The criteria for making payment of remuneration to the Independent Directors are as follows:

An amount of INR 20,000/- per meeting is paid to the Independent Directors towards sitting fee for attending meetings of the Board and Committee of Directors

#### Code of Conduct for Directors and Senior Management

The Code of Conduct for the Directors and Senior Management of the Company is available on the Company's website: <http://www.allsectech.com/Allsec/investor-information.aspx>. All the Board members and the Senior Management Personnel have confirmed the Compliance with the Code. The policy decisions and control vests with Board and the operational issues are handled by the Committees.

#### 3. Audit Committee:

The Audit Committee presently consists of Independent and Non-Independent directors. The Committee currently comprises of Mr. T. Anantha Narayanan, Mr. C. Jayaram, Mr. D. Padmanabhan, Mr. R. Jagadish and Ms. Lalitha Sankaran. The composition of the Audit Committee complies with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015. During the year, 4 Audit Committee meetings were held on May 15, 2017, August 10, 2017, November 9, 2017 and February 6, 2018.

The terms of reference of Audit Committee of your Company are in accordance with FCC 177 of the Companies Act, 2013 and Rules framed there under and as per Regulation 18 of the SEBI (LODR), 2015.





Name	Category	Category	Attendance
T. Anantha Narayanan	Independent Non - Executive	Chairman	4
C. Jayaram	Independent Non - Executive	Member	3
D. Padmanabhan	Independent Non - Executive	Member	4
Lalitha Sankaran	Independent Non - Executive	Member	3
R. Jagadish	Non Independent – Executive	Member	4

#### 4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee presently consists of Independent and Non-Independent directors. The Committee currently comprises Mr. C. Jayaram, (Chairman), Mr. T. Anantha Narayanan, Ms. Lalitha Sankaran & Mr. A. Saravanan. During the year, two meetings of the Committee were held on November 9, 2017 & February 6, 2018.

The objective of the Committee is

- To Formulate Remuneration Policy
- Formulate criteria for evaluation of Directors and the Board and it is placed in our Company website: [https://www.allsectech.com/sites/all/themes/stabilitycustom/pdf/investor\\_information/POLICY\\_ON\\_REMUNERATION-Allsec.pdf](https://www.allsectech.com/sites/all/themes/stabilitycustom/pdf/investor_information/POLICY_ON_REMUNERATION-Allsec.pdf)
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and those who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Grant of stock options under the Employees Stock Option Scheme and perform other functions of Nomination & Remuneration Committee as required / recommended by SEBI (Share Based Employee Benefits) Regulations, 2014.
- Other functions of the Committee as required / recommended in the SEBI (LODR) Regulations, 2015.

The remuneration paid to the Whole-time Director is approved by the Committee of Board and Shareholders at the general meeting as required by the Companies Act, 2013. The details of the remuneration paid to the Directors for the year ended March 31, 2018 is given below:

#### Executive Director

(INR In Lakhs)

Name	Salary & Allowances (Fixed)	Commission (Variable)	Total
R. Jagadish	92.40	36.00	128.40

#### Independent Directors

(INR In Lakhs)

Name of Director	Sitting Fees	
	Board	Audit Committee
T. Anantha Narayanan	1.00	0.80
Manish Gaur	-	-
Kapil Modi	-	-
C. Jayaram	0.80	0.60
D. Padmanabhan	1.00	0.80
Lalitha Sankaran	0.80	0.60

#### NRC Attendance

Name	Category	Status	Attendance
C. Jayaram	Independent Non-Executive	Chairman	2
T. Anantha Narayanan	Independent Non-Executive	Member	2
Lalitha Narayanan	Independent Non-Executive	Member	2
A. Saravanan	Non Independent Non-Executive	Member	2

#### 5. Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee complies with the requirements of Regulation 20 of SEBI (LODR) Regulations, 2015.



The Stakeholder Relationship Committee presently consists of Mr. T. Anantha Narayanan, Mr. A. Saravanan and Mr. R. Jagadish. During the year, no Committee meetings were held.

This Committee deals with and approves the share transfers, transmission, etc., as required from time to time and all other matters relating to investor relations and grievances.

Mr. Gagan Preet Singh, DGM-Legal & Company Secretary is the compliance officer nominated for this purpose.

The details of investor complaints during the year 2017-2018 are:

Complaints received	Resolved	Not solved to the satisfaction of shareholders	Pending
Nil	Nil	Nil	Nil

#### 6. Independent Directors Meeting:

A Meeting of the Independent Directors was held on February 6, 2018 in accordance with Section 149(8) of the Companies Act, 2013 to review the performance of the Independent Directors, the Board as a whole and other Executive & Non-Executive Directors

#### 7. Corporate Social Responsibility Committee

As per Sec. 135 of the Companies Act, 2013, every Company, having

- Net worth of 500 crore or more (or)
- Turnover of 1000 crore or more (or)
- Net profit of 5 crore or more

need to constitute CSR Committee. This Committee consist of 3 Directors.

1	T. Anantha Narayanan	Chairman
2	R. Jagadish	Member
3	A. Saravanan	Member

The Committee formulates and recommends to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified under the Companies Act, 2013.

During the year, as per the computations made under Section 198 of the Companies Act, 2013, the Company must contribute approximately INR 23 lakhs as CSR Contribution. During the financial year 2017-18, the Company has formulated a CSR policy and the CSR Committee had a meeting on January 24, 2018 which approved the proposal to contribute INR 6 lakhs to an educational institution which falls under the categories prescribed in Schedule VII of the Companies Act

2013 under (ii) promoting education, including special education and employment enhancing vocational skills specially among children, women, elderly and the differently abled and livelihood enhancement project. The Company is in the process of identifying areas and projects to make CSR contributions in the future.

#### 8. General Body Meetings:

##### I. Location, time and date where last three Annual General Meetings were held are given below;

Financial Year	Date	Time	Venue
2014-15	August 07, 2015	10.00 A.M	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018
2015-16	August 11, 2016	03.30 P.M	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018
2016-17	August 10, 2017	10.00 A.M	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018

##### II. Special Resolutions passed in the previous 3 Annual General Meetings :

1. No Special Resolution was passed in the AGM held on August 10, 2015.
2. The following Special Resolution was passed in the AGM held on August 11, 2016:
  - i. Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole time Director.
3. No Special Resolution was passed in the AGM held on August 10, 2017.

##### III. Extra-Ordinary General Meetings :

- a) Location, time and date where last three Extra-Ordinary General Meetings were held are given below:

Date	Time	Venue
October 12, 2006	11.00 am	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai - 18
February 21, 2008	11.00 am	46 C, Velachery Main Road, Velachery, Chennai - 42
March 8, 2010	3.00 pm	46 C, Velachery Main Road, Velachery, Chennai - 42



b) The following Special Resolutions were passed at the Extra-Ordinary General Meetings (EGM):

- i. At the EGM dated October 12, 2006
  - Resolution for amendment to Articles of Association.
  - Resolution for authorizing the increase in the limits for investment by Foreign Institutional Investors (FII) to 100%.
  - Resolution for approval of the Employment Agreement with Mr. A. Saravanan, Whole-time Director.
  - Resolution for approval of the Employment Agreement with Mr. R. Jagadish, Whole-time Director.
- ii. At the EGM dated February 21, 2008
  - Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole-time Director.
  - Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole-time Director.
- iii. At the EGM dated March 8, 2010
  - Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole-time Director.
  - Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole-time Director.

#### IV. Postal Ballot

Special Resolution(s) through Postal ballot was passed on March 15, 2013:

For payment of remuneration and re-appointment of Mr. A. Saravanan, Whole-time Director.

For payment of remuneration and re-appointment of Mr. R. Jagadish, Whole-time Director.

Resolution	No. of Votes in favour (Shares)	No. of Votes against (Shares)
For Re-appointment and Fixation of Remuneration to Mr. A Saravanan as Whole-time Director of the Company	5781459	510638
For Re-appointment and Fixation of Remuneration to Mr. R. Jagadish as Whole-time Director of the Company	5781361	510683

#### 9. Disclosures

There have been no instances of non-compliance on any matters relating to capital markets, nor have any penalty / strictures been imposed on the Company by the stock exchange or SEBI or any statutory authority on such matters. In addition, your company also strives to adhere and comply with discretionary requirements specified in Reg 27 and Part -E of schedule II of SEBI listing Regulations to the extent applicable to (i) Unmodified opinion (ii) reporting of Internal auditor to the Board (iii) Separate post of Chairman & CEO & (iv) Non-Executive Chairman. All mandatory requirements of SEBI (LODR) Regulations, 2015 have been complied with.

#### 10. Means of Communication:

- The Quarterly results are being published in one leading national (English) newspaper "Financial Express" and in one vernacular newspaper "Malai Sudar". The Quarterly results are also displayed on the Company's website- [www.allsectech.com](http://www.allsectech.com).
- The Company's website also displays Annual Report, shareholding pattern, code of conduct and other shareholders' information like official news releases and investor presentations.
- The Management Discussion and Analysis Report is also given as part of the Annual Report.

#### 11. General Shareholders Information :

##### A. Annual General Meeting

Date and Time : August 9, 2018 at 10.00 A.M.

Venue : Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018.

##### B. Financial Year

The Financial Year of the Company is April – March. The results for every quarter will be declared within the time period prescribed under the Listing Agreement.

##### C. Date of Book Closure

August 1, 2018 to August 9, 2018 (Both days inclusive)

##### D. Listing on Stock Exchanges

The shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

##### E. Stock Code / Symbol

NSE – Scrip Code – Allsec / BSE – Scrip Code - 532633

**F. Market Price Data** – High / Low during each month in the last Financial Year & Performance in comparison to NSE/ BSE index etc



## Market information details for the year 2017-2018

Month	National Stock Exchange				Bombay Stock Exchange			
	Price		Indices		Price		Indices	
	High	Low	High	Low	High	Low	High	Low
Apr-17	406.00	356.50	9367.15	9075.15	415.00	356.00	30184.22	29241.48
May-17	392.00	307.10	9649.60	9269.90	396.00	307.20	31255.28	29804.12
Jun-17	364.40	310.00	9709.30	9448.75	361.75	311.00	31522.87	30680.66
Jul-17	368.00	306.00	10114.85	9543.55	366.95	306.00	32672.66	31017.11
Aug-17	359.90	313.25	10137.85	9685.55	368.80	314.45	32686.48	31128.02
Sep-17	408.00	342.85	10178.95	9687.55	408.00	341.10	32524.11	31081.83
Oct-17	517.00	360.10	10384.50	9831.05	521.15	364.30	33340.17	31440.48
Nov-17	535.00	432.25	10490.45	10094.00	531.10	435.00	33865.95	32683.59
Dec-17	470.00	426.25	10552.40	10033.35	469.40	425.00	34137.97	32565.16
Jan-18	479.00	401.00	11171.55	10404.65	475.10	406.05	36443.98	33703.37
Feb-18	429.00	360.35	11117.35	10276.30	429.95	361.55	36256.83	33482.81
Mar-18	388.35	324.50	10525.50	9951.90	392.15	325.05	34278.63	32483.84

## G. Registrars and Transfer Agents

## Karvy Computershare Pvt. Ltd

Unit: Allsec

Karvy Selenium Tower No.B , Plot No.31-32,  
Gachibowli , Financial District

Nanakramguda , Hyderabad : 500 032

Tel : +91 040 67161591

E-mail: einward.ris@karvy.com

Website: www.karvy.com

## H. Share Transfer System

Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company. The shares lodged for physical transfer / transmission / transposition, if any, would be registered within the prescribed time limit, if the documents are complete in all respects. The shares in the dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## I. Category wise distribution of equity shares as of March 31, 2018:

Category	No. of Share	% of Holding
<b>Promoters Holding :</b>		
Indian Promoters	61,49,071	40.35
Person Acting in Concert	-	-
<b>Non Promoters Holding:</b>		
Institutional Investors	-	-
Financial Institutions / Banks	-	-
Mutual Funds	-	-

Category	No. of Share	% of Holding
Foreign Institutional Investors	-	-
Foreign Venture Capital	47,02,858	30.86
Foreign Corporate Bodies	-	-
<b>Others:</b>		
Private Corporate Bodies	9,75,805	6.40
Indian Public	31,37,377	20.59
Non Resident Indians	2,30,076	1.52
Others	43,139	0.28
<b>TOTAL</b>	<b>1,52,38,326</b>	<b>100.00</b>

## Distribution Schedule

Category (Amount)	No. of Holders	% To Holders	Amount (INR)	% To Equity
1 - 5000	6221	90.342	50,33,760	3.30
5001 - 10000	281	4.08	2,16,332	1.41
10001 - 20000	154	2.23	22,86,640	1.50
20001 - 30000	58	0.84	1,46,602	0.96
30001 - 40000	32	0.46	1,13,120	0.74
40001 - 50000	23	0.33	1,05,162	0.69
50001 - 100000	48	0.69	37,16,090	2.43
100001 & ABOVE	69	1.00	13,55,53,610	88.94
<b>TOTAL</b>	<b>6344</b>	<b>100.00</b>	<b>15,23,83,260</b>	<b>100.00</b>

**J. Outstanding GDRs / ADRs / warrants or any convertible instruments conversion date and likely impact on equity-** Not applicable.

**K. Plant locations**

Allsec Technologies has its offices / Service delivery centers in India at Chennai, Bengaluru and NCR.

The details of our subsidiaries are as given below: -

Name of the Subsidiary	% of Controlling Interest
Allsectech Inc. at USA	100%
Allsectech Manila Inc. at Philippines	100%
Retreat Capital Management Inc. at USA.	100%

**L. Dematerialization of shares and liquidity**

As on March 31, 2018 about 99.99% of the shares were held in dematerialized form.

**M. Address for Investor Correspondence**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address (Share holders holding in physical form) or any other query relating to shares, please write to:

**Karvy Computershare Private Limited**

Unit : Allsec

Karvy Selenium Tower No.B, Plot No.31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032

Tel : +91 040 67161591

E-mail: einward.ris@karvy.com

Website: www.karvy.com

**For General Correspondence:**

Company Secretary,

Allsec Technologies Limited,

46-B, Velachery Main Road,

Velachery, Chennai - 600 042.

Tel.: +91 44 4299 7070 Fax: +91 44 2244 7077

E-mail : investorcontact@allsectech.com

Web site: www.allsectech.com

**DECLARATION**

The Board of Directors of the Company has adopted the "Code of Conduct" for the Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the Code for the year 2017-2018.

Place : Chennai

Date: May 24, 2018

**R. Jagadish**  
Director & CEO





**Independent Auditor's Certificate on Corporate Governance**

**To the Members of Allsec Technologies Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated October 10, 2017.
2. We have examined the compliance of conditions of corporate governance by Allsec Technologies Limited ('the Company') for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management's Responsibility**

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2018.

We 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.

**Restriction on use**

8. This certificate is issued solely for the purpose of complying with the afore said regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Place: Chennai  
Date: May 24, 2018

**Sumesh E S**  
Partner  
Membership No.: 206931



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview of the IT BPM Industry\*:

In 2017, global IT-BPM industry stood at USD 1.3 trillion (excl. hardware) showing a growth of 4.3% over 2016:

- IT services grew a modest 2.4% driven by the continuous need for digital solutions
- BPM (3.4%) saw greater implementations of Robotic Process Automation (RPA)
- Packaged software: Was the fastest growth segment (7.7%) – Software as a Service (SaaS) driving growth
- Hardware segment grew 1.5% to cross USD 1 trillion

Global sourcing growth outperformed global IT-BPM spend growth in 2017, global sourcing grew 1.4X to reach USD 185-190 billion.

### Indian IT-BPM Industry\*:

India's IT-BPM industry is set to grow ~8% in FY2018 – from USD 155 billion in FY2017 to USD 167 billion (excl. eCommerce), an addition of USD 12 billion. Share in total service exports is estimated at >45% and the industry's contribution relative to India's GDP is ~7.9%. Overall, the industry is estimated to employ 3.97 million people, an addition of 105,000 people over FY2017. Currently, the traditional services (ISO, CADM, software testing, F&A, HRO, etc.) continue to have a major share of revenue (~80%), the share of digital revenue is increasing rapidly. From about 14% in FY2016, it is now 18+% and is expected to reach 38% by 2025.

In FY2018, IT-BPM exports from India are expected to reach USD 126 billion, a 7.7% growth over FY2017 and an addition of USD 9 billion. ER&D and product development continues to be the fastest growing segment at 12.8% driven by the demand for AECS-autonomous, electrification, connectivity and shared mobility. IT services growing at ~6% driven by growth in software testing and ISO (hosted applications). BPM exports expected to grow faster vis-à-vis FY2017, at 8%; analytics, RPA, chat-bots emerging as areas of growth.

Domestic IT-BPM industry is also seeing continued growth as various government initiatives encourage technology usage and Indian enterprises rapidly implement digital technologies. Revenue for FY 2018 is estimated to be around USD 41 billion representing a 8.7% growth over FY 2017.

The Indian BPM industry grew 7.9% to USD 32.5 billion in FY 2018. Exports grew by 8% to USD 28.4 billion while domestic grew by 7% to USD 4.1 billion.

\* Source: NASSCOM

### Company Overview:

Allsec is a global company with vast expertise in providing business process solutions across various industry verticals. The Company was incorporated in 1998 as a limited Company under the erstwhile Companies Act, 1956 and is listed on the National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE).

The Company owns three wholly owned subsidiaries, Allsectech Inc., USA, Allsectech Manila Inc., Philippines and Retreat Capital Management Inc., USA.

The Company operates three segments globally viz., Human Resources Operation (HRO) covering HRMS, Statutory Compliances, payroll services, time and attendance management; Customer Lifecycle Management (CLM) which encompasses lead generation, customer retention and relationship management comprising both voice and non-voice processes and Anti Money Laundering and Compliance services (AML). The HRO services and CLM services are delivered from India and the subsidiary in Philippines while AML services are provided by the US subsidiary. In India, the CLM business supports both international (CLM International business) and domestic (CLM domestic business) customers and the HRO business supports both International and domestic customers.

The Company is a highly customer-centric, flexible and transparent service provider. The Company believes in enhancing its client's business experience by taking process responsibility, improving cost efficiencies and adding value through continuous process improvements and quality assurances.

### OPPORTUNITIES:

#### Core Competency

Allsec has focussed on developing expertise in specific verticals to fuel growth. This has helped the Company sharpen training and processes for specific domains enabling achievement of domain specialization resulting in delivering quality solutions to each of our customers. Allsec takes pride on quality centric, speedy and nimble footed approach in every client engagement. The constant focus on process improvement by automation and continuous benchmarking of delivery to improve focus, have resulted in customer satisfaction every time. Our customers stand testimony to our track record of providing outstanding customer experience and maximizing their Return on Investment. **Building Lasting Relationships** has always been our culture and that focus enables us to deliver enhanced business value, a culture that inspires our actions and is a part of our DNA.

We expanded our offering in the domestic market by positioning our services to suit the domestic business with unique features like multi language requirements



etc. We are a leading provider of outsourced solutions in customer engagement, sales & retention and quality assurance for businesses across BFSI, Mortgage, Telecommunication, Retail, Healthcare, Energy & Utilities and Technology.

As one of the largest outsourced payroll service providers today, Allsec manages some of the most complex pay and tax scenarios, for both global and domestic organizations from various industries. We are a market leader for payroll management and HRMS, handling thousands of employees across various industries. Our HRMS & payroll solutions, which are custom made to fit specific requirements, have benefited large, medium and small organizations alike. During the year we have expanded our footprints to multiple new geographies and we currently service more than 35 countries across South Asia, Middle East and Africa.

### **Client Acquisition**

The focus on winning fresh clients across geographies where we can serve on the strength of our core competencies, on the basis of our track record of delivery and positive client references is an ongoing process. With our philosophy of long term client relationships, we are sure that we will be able to maintain our track record and strike long term relationships with all our International & Domestic clients.

In non-voice segment, our best in class Quality Assurance process has triggered great interest in many of the captive / outsourced centres of domestic clients. Having acquired knowledge and experience of servicing in different Indian languages and with the Pan-India presence, there are enough opportunities to grow this multi fold in India over and above our efforts internationally.

HRO has continued its growth in the current year as well and our plan to expand HRO division to new geographies has been received very well and we have got good response in Philippines as well as the Middle East, Africa and other parts of Asia. The new markets in Asia, Africa and the US / UK markets will be the key growth area for the future in the HRO business and we believe HRO business will continue to see a significant growth in the next few years

### **Quality**

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of services and security of data of Clients, customers and Organization. We have developed and deployed simple and effective processes using the latest Quality models in accordance with ISO 9001 (Quality Management System) interlined with data security controls prescribed by International

standards such as ISO 27001:2013 (Information security Management System). ISO 9001 certification at Chennai has been upgraded to latest version i.e. ISO 9001:2015 from ISO 9001:2008 which enhances strength of our QMS to a new level. ISO 27001:2013 certification renewal at Chennai and Manila facilities have been completed. This year we obtained ISO 27001:2013 certificate for our Bengaluru facility. Our Chennai, Manila and US locations are all certified for PCI DSS compliance. Further, existing SSAE 16 / ISAE 3402 which is a graduated version of SAS 70 Type II certification for the HRO business has been renewed and upgraded to SSAE 18 / ISAE 3402.

### **Capacity**

Today, Allsec has a pan India presence and a capacity of over 2500 seats with facilities in 3 locations which are in NCR, Bengaluru, and Chennai. Apart from India, we also have a capacity of 600 seats in Manila and around 200 seats in USA.

We have demonstrated in the earlier years our ability in setting up new Centers to cater to ramp up decision of our clients and we are confident of achieving the same in the future as well. Our strategy of right sizing capacity to match current demand has borne fruits in the past few years and capacity utilization will continue to be the focus for any new addition / closure decisions.

### **THREATS:**

#### **Attrition**

Allsec, is in an industry where attrition is one of the major concern areas. Allsec has an annual attrition of 32% (marginally down from 33% last year) which is almost similar to the Industry average.

The Company in the CLM International business faces tough challenges in getting employable manpower from the available manpower pool. Allsec has been investing a lot of resources for training candidates on the basic skills that are required to make them employable. These are also done through partnering with educational institutions and governmental organization.

The attrition rate in the CLM Domestic business is also on similar lines. Allsec has extended its learning in the International segment to Domestic market and necessary processes are in place to ensure that right candidates are being hired, trained and retained. However, the availability of employable candidates is higher in the pool available for Domestic segments.

To overcome attrition, Allsec is taking a number of measures including Mentor-Mentee system, Individual counselling etc., to maintain work force stability. The focus is on maintaining the service level and quality of delivery in spite of the attrition challenges by developing robust processes.



### RISKS AND CONCERNS

#### BUSINESS RISKS

As discussed in first few paragraphs, the business risks involved in our industry are varied.

The CLM International business is affected by the global slowdown and we are actively increasing the marketing activity both by increasing the feet on street sales force as well as increasing the marketing team. The offshore servicing business which yields exports revenue has not grown and it continues to have a lower Capacity Utilization. We have teams in US as well as consultants in UK and will keep putting efforts to grow this business.

The CLM Domestic business is improving gradually and pricing in the market has been increasing gradually. We now have good capacity utilization in this business at rates which are much higher than what we were getting few years back. The plan is to keep looking for strategic contracts where we can command higher rates and make this business more profitable. We are also focussing on deepening existing client relationships to increase volume of business from existing clients.

HRO division has been growing organically for us and this will continue in the coming years too. Marketing efforts has been increased in destinations like South and South east Asia, Middle East, Africa, UK and in the US. The potential for growth in this division is high and efforts are on to maintain the momentum.

#### FINANCIAL RISKS

##### GEOGRAPHICAL CONCENTRATION OF CLIENTS

Our Company has a global footprint and the revenues in the international segment are dependent on clients located predominantly in US. As a strategy we continue to focus on increasing the share of our Revenues from US / UK as the margins are better compared to Domestic business. As a result, the Company is exposed to various risks typically associated with doing business in various countries, many of which are beyond the control of the management.

##### PRESSURE ON MARGINS

Our margins can be impacted due to pressure on pricing owing to competition. The Company engages customers regularly briefing them on the value added support being provided. Since our processes are dependent on manpower, our margins may be impacted if there are increases in salaries and other statutory costs in any of our locations.

##### EXCHANGE FLUCTUATION

Movements in exchange rates continue to be a major threat. There has been volatility in the exchange rate between INR and USD in the recent years and these

currencies may continue to fluctuate significantly in future as well. During the year there have been significant volatility in the rupee with a low of INR 63.35 and a high of INR 65.76. We are currently adopting hedging strategies as approved by the Board and in addition use bank balances in foreign currency to meet our foreign currency liabilities. Also the increase in share of domestic revenue will mitigate this risk to an extent. Our results of operation will be affected if the rupee-dollar rates continues to behave in a volatile manner in future or rupee appreciates significantly against dollar and other currencies.

#### INDIAN TAXATION RISK

Taxes and other levies imposed by the Government of India and / or various states including Tamil Nadu may affect our performance. In particular, we will be affected by the taxes and laws levied by authorities such as a) Income Tax b) Goods and Services Tax etc. We are taking adequate efforts to comply with the entire statutory requirement on an ongoing basis and the same is subject to Internal Audit on a quarterly basis. We also take the help of external consultants to handle specific issues as and when need arises.

The Central Government introduced the new Goods and Services Tax (GST) during the financial year 2017-18. Our Company has taken necessary steps to be prepared for the new GST regime including obtaining necessary registrations, setting up of systems and processes and the Company had a smooth transition to the new regime.

#### CUSTOMER CREDIT RISK

Company follows a process of due client qualification in respect of orders received and contracts signed. However owing to business reasons or reasons specific to delivery / disputes, there are collection risks which the Company faces. There is a regular follow-up process to ensure that amounts due are billed in time and collections received in time. Regular quarterly confirmation of balance is also obtained from major clients. Due provisions are made in accounts for amounts considered not collectible.

#### LEGAL AND CONTRACTUAL RISKS

Our business is subject to a variety of country specific regulations. Particularly, we must comply with a number of laws in the United States in relation to debt collection and telephone and email based solicitation and the mortgage servicing businesses.

The requirements of many of these regulations are complex and the failure to comply could result in enforcement or private actions which can potentially affect our reputation and in turn adversely affect our business. In addition, these laws are subject to change and new laws affecting our business may be enacted, which could significantly affect the demand for, and our ability to provide certain service offerings and significantly





increase the cost of regulatory compliance. However on an ongoing basis we have taken the following steps to mitigate this:

- We have complied on ongoing basis with all registrations / renewals concerning telemarketing and collection licenses in USA. Our Legal / Secretarial Dept. have an internal monitoring mechanism as well as through attorneys / firms appointed in US for attending the same.
- We have complied with all relevant provisions governing call centre business in India such as DOT approval and adherence to 'Do Not call Registry' norms.
- All Registrations as required under STPI / Customs / Labor laws and State laws are adequately monitored and complied with.
- There are no specific issues or non-compliance notified in any of these areas during the year.
- In respect of client and other commercial contracts such as lease and other purchase contracts adequate measures are in place for vetting the contracts by Legal team and due vetting and clearance procedures are followed before signing of contracts.

### INFRASTRUCTURE RISKS

The Company has invested substantially in the state of the art infrastructure and equipment in its centres to provide a world-class service to its customers. Service to our clients also depends on the uninterrupted functioning of these equipments, power and stability of telecom network. Any obsolescence in the infrastructure and equipment leading to incompatibility with client's systems or any disruption in the essential services may affect the business of the Company. Adequate backups and redundancy measures are in place for uninterrupted functioning of IT and telecom equipment. AMC of all equipment is being monitored for timely renewals wherever needed. Insurance for fixed assets and all office locations is in force and is monitored for timely renewals and adequacy of risks covered under Office package policy.

### HUMAN RESOURCES RISK

ITES (BPM) industry is a labour intensive industry and the Company's success depends on its ability to retain key employees. Historically, high employee attrition has been a common feature and our Company has also experienced a very high level of attrition. There have been cases of companies losing orders for not being able to demonstrate a competent team that can manage a large workforce. High level of attrition further complicates

the problem. There is a gap between the supply and demand of work force. Further, the available man power is not immediately employable in terms of the skill sets required for the industry. Thus the shortage of supply in quality manpower both at the managerial level and at the agent's level may significantly affect the functioning of the Company.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a well-defined and documented internal control system that is adequate and commensurate with the size and nature of its business. Adequate checks and balances and control systems are established to ensure that assets of the Company are safeguarded and transactions are executed under proper authorization and are properly recorded in the books of account. There exists a proper definition of roles and responsibilities across the organization to ensure information flow and effective monitoring. The Company has an independent Internal Audit carried out periodically by a firm of Chartered Accountants who draw out their audit program based on risk assessments and in consultation with the Audit committee. The Company has an Audit Committee consisting of 5 Directors which has a majority of Independent Directors This Committee reviews the internal audit reports, statutory audit reports, the quarterly and / annual financial statements and discusses all significant audit observations and follow up actions arising from them. It further monitors the risk exposures of the company. The Committee also reviews and recommends to the Board the terms of appointment of the statutory auditors and internal auditors.

The Companies Act provisions relating to Internal Financial control and Internal Financial control over Financial Reporting are applicable to your Company from the financial year ended March 31, 2016. Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the 2013 Act" or "the Act") requires the auditors' report to state whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. Clause (e) of Sub-section 5 of Section 134 to the Act requires the Directors' Responsibility Statement to state that the Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The auditor's objective in an audit of internal financial controls over financial reporting is to express an opinion on the effectiveness of the Company's internal financial controls over financial reporting and the procedures in respect thereof are carried out along with an audit of the financial statements. Your Company has complied with these requirements.





### MATERIAL DEVELOPMENTS ON HUMAN RESOURCE FRONT INCLUDING HEADCOUNT

As at March 31, 2018, total number of employees stood at 2584 nos. which is an increase of 125 nos. from the previous year end figure of 2459.

### SEGMENTWISE OR PRODUCTWISE PERFORMANCE

Allsec is currently providing the following services:

Segment Revenue	31-Mar-18		31-Mar-17	
	INR Lakhs	% to total revenue	INR Lakhs	% to total revenue
CLM - International	3,180	25%	3,352	29%
CLM - Domestic	4,798	37%	4,158	36%
HRO - Exports	861	7%	545	5%
HRO - Domestic	4,039	31%	3,566	31%
	<b>12,878</b>		<b>11,621</b>	

### DISCUSSION ON FINANCIAL AND OPERATIONAL PERFORMANCE AND FINANCIAL CONDITION (STANDALONE):

#### Overview

The following discussion is based on our audited standalone financial statements which have been prepared to comply in all material respects to the Indian Accounting Standards and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company except for changes in accounting policy if any made to ensure compliance with law for the applicable periods. The discussion should be read in conjunction with the Audited Standalone Financial statements of the Company and notes on Accounts.

### RESULTS OF OPERATIONS - PERFORMANCE SUMMARY

	2017-18		2016-17		% increase / (decrease) over previous year
	INR In Lakhs	% to Total revenue	INR In Lakhs	% to Total revenue	
<b>Income</b>					
Income - Operations	12,878	96	11,621	97	11
Income - Others	518	4	305	3	70
<b>A) Income - Total</b>	<b>13,396</b>	<b>100</b>	<b>11,926</b>	<b>100</b>	<b>12</b>
<b>Costs</b>					
Connectivity costs	321	2	291	2	10
Employee benefit expenses	7,454	57	6,486	54	15
Other expenses	2,793	21	2,924	25	(4)
<b>B) Costs - Total</b>	<b>10,568</b>	<b>80</b>	<b>9,701</b>	<b>81</b>	<b>9</b>
<b>C) Profit before interest, tax, depreciation and amortisation</b>	<b>2,828</b>	<b>20</b>	<b>2,225</b>	<b>19</b>	<b>27</b>
Depreciation and amortisation	328	2	336	3	(2)
Finance costs	24	0	67	1	(64)
Interest income	(2)	(0)	(215)	(2)	(99)
<b>D) Profit / (Loss) before tax</b>	<b>2,478</b>	<b>18</b>	<b>2,037</b>	<b>17</b>	<b>22</b>
<b>Tax</b>	<b>(421)</b>	<b>(3)</b>	<b>(217)</b>	<b>(2)</b>	<b>94</b>
<b>E) Profit / (Loss) after tax</b>	<b>2,899</b>	<b>21</b>	<b>2,254</b>	<b>19</b>	<b>29</b>

**Earnings per share data (Basic / Diluted)**

YE March 31, 2018	INR 19.02 / 19.02
YE March 31, 2017	INR 14.27 / 14.27

**PROFIT AND LOSS ACCOUNT****i. Income from Operations**

The table below provides the details of income and its composition:

INR In Lakhs

Revenue Segments	31-Mar-18	31-Mar-17
CLM – International	3,180	3,352
CLM – Domestic	4,798	4,158
HRO – Exports	861	545
HRO – Domestic	4,039	3,566
	<b>12,878</b>	<b>11,621</b>

There is a decrease of 5% in CLM - International revenue in INR terms due to appreciation of the rupee from an average of INR 67.05 in FY2017 to INR 64.05 in FY2018. In US\$ terms, the international revenue has been flat year on year.

CLM - Domestic revenue has grown by 15% with addition of new customers and higher volumes from existing customers.

HRO has continued to grow organically with an overall increase of 19% over previous year. HRO exports has grown by 58% and domestic has grown by 13%.

**ii. Other Income**

Current year stood at INR 518 lakhs as compared to INR 305 lakhs in the previous year. The main movements are:

- Profit on sale of current investments higher by INR 181 lakhs compared to previous year.
- Gain on foreign exchange differences INR 37 lakhs compared to previous year.

**iii. Expenditure**

During the year there is an increase in total expenditure by INR 816 lakhs (while increase in revenues amounted to INR 1,257 lakhs). This was primarily due to higher manpower costs due to salary increments and additional headcount for new processes. Other costs have largely remained flat.

(in INR Lakhs)

Cost Category	31-Mar-18	31-Mar-17	favourable / (unfavourable) in % over previous year
Connectivity costs (Note 1)	321	291	(10)
Employee costs and benefits (Note 2)	7,454	6,486	(15)
General and administration expenses (Note 3)	2,793	2,924	4
Finance charges (Note 4)	24	67	64
Depreciation (Note 5)	328	336	2
	<b>10,920</b>	<b>10,104</b>	<b>(8)</b>

**Note 1:** The increase in cost of connectivity is due to additional lines taken during the year to build redundancies.

**Note 2:** There has been an overall increase of around 5% in headcount which is on account of increased business in the CLM and HRO space which is around INR 400 lakhs. The increase in employee cost is mainly on account of salary increase given to eligible employees effective October 2017 and full year impact of increase given in previous year. The increase in Salary due to these factors are INR 500 lakhs. Gratuity increased by INR 48 lakhs due to increase in ceiling of gratuity under the Payment of Gratuity act from INR 10 lakhs to INR 20 lakhs.

**Note 3:** General admin costs have reduced by 4% as there was a one off provision of INR 195 lakhs in the previous year. Other costs have largely remained flat during the year.

**Note 4:** Depreciation has been at similar levels as last year.

**Provision for Tax**

Provision for tax includes current tax, deferred taxes apart from MAT credit entitlement if any. During this financial year current tax was INR 529 lakhs which was offset by deferred tax credit of INR 950 lakhs.



## FINANCIAL CONDITION - BALANCE SHEET

(Note: Figures given in brackets refer to previous year figures)

### 1. Share Capital

The Equity Capital of the Company as on March 31, 2018 stands at INR 1,524 lakhs and has remained constant over the previous Balance sheet date.

### 2. Other equity

The Company's Reserves and Surplus as on March 31, 2018 stood at INR 15,954 lakhs represented by capital reserve at INR 251 lakhs (same as last year), share premium on the equity shares amounting to INR 12,019 lakhs (same as last year), INR 1413 lakhs representing General Reserve (same as last year), INR 2,389 lakhs (previous year: INR (510) lakhs) representing credit balance in the profit and loss account shows an increase of INR 2,899 lakhs during the year being the profit for the period and the reasons for the increase in profits for the year has been explained in the above paragraphs under Profit and Loss Account.

### 3. Non-Current Financial Liabilities - Borrowings

Secured loan of INR 65 lakhs represents balance payable towards Finance lease obligation (HP loans). This has increased by INR 40 lakhs during the year and this is primarily due to new HP loans taken during the year.

### 4. Non-Current financial liabilities – Others

Represents amount retained from vendor payments amounting to INR 6 lakhs which are payable at a future date.

### 5. Non-current liabilities - Provisions

Non-current portion of Provision for Gratuity for the current year is at INR 305 lakhs.

### 6. Trade Payables

Trade payables being payable to suppliers of goods and services has increased by INR 12 lakhs from INR 434 lakhs to INR 446 lakhs in 2017-18.

### 7. Other current financial Liabilities

Other financial liabilities were marginally higher at INR 291 lakhs as against INR 268 lakhs a increase of INR 23 lakhs.

### 8. Other current liabilities

Other current liabilities were at INR 206 lakhs compared to INR 148 lakhs in the previous year mainly on account of higher advances received from customers and higher statutory dues.

### 9. Other current provisions

Provision was at INR 162 lakhs in the current year as compared to INR 351 lakhs (due to decrease in provision for gratuity in the current year).

### 10. Property, Plant and equipment

Additions to Fixed Assets amounted to INR 550 lakhs (previous year: INR 237 lakhs) in tangible fixed assets primarily due to additions to Vehicles of INR 165 lakhs; Call Centre Equipment and Computers and Servers – INR 275 lakhs; Office Equipment of INR 73 lakhs; Furniture of INR 8 lakhs and Lease Hold Improvement of INR 29 lakhs.

The Gross block value of total assets disposed off during the year amounted to INR 26 lakhs (Previous year: INR 25 lakhs). The Assets disposed off were Furniture and Fixtures – INR 10 lakhs and Vehicles – INR 16 lakhs.

After providing for depreciation of INR 227 lakhs (Previous year: INR 212 lakhs) for the year, the net block of fixed assets stood at INR 802 lakhs as on March 31, 2018 compared to INR 505 lakhs as at March 31, 2017.

### 11. Other intangible assets

Intangible assets comprise block of software used for call center operation. During the year there was an addition in Software of INR 52 lakhs.

The closing net block of software is INR 211 lakhs as at March 31, 2018 as against INR 260 lakhs for the year ended March 31, 2017.

### 12. Non-Current Investments

Total Investments represent the amount of equity capital invested in three subsidiaries. During the year our Subsidiary, M/s. Allsectech Manila Inc. Manila has redeemed all of the preference shares.

### 13. Other Financial Assets - Non Current

Other financial assets stood at INR 371 lakhs compared to INR 423 lakhs on March 31, 2017. This is on account of cash flow discounting of deposits made during the year.

### 14. Deferred tax assets

Represents timing difference between Companies Act and Income tax act with respect to depreciation and provision for employee benefits. The amount for the current year stood at INR 1,633 lakhs as against INR 683 lakhs on March 31, 2017 representing the deferred tax credit taken for the current year.

**15. Income tax assets (Net)**

Advance tax and tax deducted at source by our customers stood at INR 726 lakhs in current year as compared to INR 604 lakhs in last year.

**16. Current Investments**

Current investments represent balances invested in mutual funds. The Balance as at March 31, 2018 is INR 7,297 lakhs (previous year: INR 6,133 lakhs).

**17. Trade Receivables**

Current Trade receivable remained at similar levels of INR 2,306 lakhs as at March 31, 2018 as against INR 2,308 lakhs as at March 31, 2017.

Current Trade receivables from 100% subsidiaries amounted to INR 260 lakhs as compared to INR 66 lakhs in the previous year.

The sundry debtor in terms of days of sales (DSO) as at March 31, 2018 is 65 days (72 days for previous year).

**18. Cash and Bank Balances**

Cash and Bank balances stood at INR 1,367 lakhs as at March 31, 2018 as against INR 209 lakhs as at March 31, 2017. This represents deposit accounts including margin money deposits amounting to INR 33 lakhs (previous year: INR 33 lakhs) and year end cash and bank balances of INR 1,332 lakhs as at end March 2018 as compared to INR 175 lakhs as at end March 2017.

The increase in cash and cash equivalents of INR 1,158 lakhs during the year represented by:

- a) Net Cash inflow from operations amounting to INR 1,754 lakhs (previous year cash inflow of INR 2,042 lakhs)
- b) Net cash used in Investing activity amounted to INR 615 lakhs (previous year net cash used of INR 2,239 lakhs) and
- c) Net cash from financing activity amounted to INR 19 lakhs (previous year net cash outflow of INR 41 lakhs)

**19. Other financial assets - Current**

Other financial assets stood at INR 526 lakhs in March 31, 2018 as against INR 378 lakhs in previous year. This is primarily on account of higher unbilled revenue in current year of INR 526 lakhs against INR 336 lakhs in previous year.

**20. Other current assets**

Prepaid expenses were at INR 152 lakhs compared to INR 141 lakhs in previous year.

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Disclaimer This discussion and analysis report presentation may include statements that are not historical in nature and that may be characterized as "forward-looking statements", including those related to future financial and operating results, future opportunities and the growth of selected verticals in which the organization is currently engaged or proposes to enter in future. You should be aware that future results could differ materially from past performance and also those contained the forward-looking statements, which are based on current expectations of the organization's management and are subject to a number of risk and uncertainties. These risks and other factors are described in Allsec's annual reports. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company. The information presented herein should not be construed as earnings guidance under the terms of the stock exchange listing agreements.

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## Form No.MR-3

## SECRETARIAL AUDIT REPORT

## FINANCIAL YEAR ENDED MARCH 31, 2018

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

To

**The Members**

**Allsec Technologies Limited**

**No. 7H, Century Plaza 560-562, Anna Salai**

**Chennai 600 018**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Allsec Technologies Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of 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 my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, 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, 2018 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- 5) 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (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) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015
- 6) Software Technology Parks of India and its Regulations.
- 7) Information Technology Act, 2000 and Information Technology Amendment Act, 2008

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

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

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





### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The 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 is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there were no instance of dissent voting by any member during the period under review.

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations

Place: Chennai

Date: May 24, 2018

Signature

**(P. Sriram)**

**P. Sriram & Associates**  
**FCS No. 4862/CP No: 3310**



**Annexure A**

To

**THE MEMBERS,  
ALLSEC TECHNOLOGIES LIMITED**

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, the Company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of 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.

Place: Chennai

Date: May 24, 2018

Signature

**(P. Sriram)**

**P. Sriram & Associates  
FCS No. 4862/CP No: 3310**

**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 OR ASSOCIATE COMPANIES OR JOINT VENTURES**

**PART-A Subsidiaries**

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

1	Name of the subsidiary	AllsecTech Inc., USA	AllsecTech Manila Inc., Philippines	Retreat Capital Management Inc., USA
2	The date since when subsidiary was acquired	14 <sup>th</sup> September 2000	23 <sup>rd</sup> November 2007	16 <sup>th</sup> February 2011
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 01, 2017 – March 31, 2018	April 01, 2017 – March 31, 2018	April 01, 2017 – March 31, 2018
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD	Phillipine PESO	USD
5	Share Capital	121,406,592	78,320,388	2,147,812
6	Reserves and surplus	199,912,655	85,158,061	70,989,513
7	Total assets	660,745,074	200,613,337	246,016,509
8	Total liabilities	339,425,827	37,134,888	172,879,184
9	Investments	-	-	-
10	Turnover	1,510,289,453	534,269,808	197,173,241
11	Profit before taxation	245,602,636	159,198,591	(30,797,112)
12	Provision for taxation	85,980,460	11,724,295	(14,991,733)
13	Profit after taxation	159,622,176	147,474,295	(15,805,378)
14	Proposed Dividend	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%

**PART- B Associates and Joint Ventures**

**As on March 31, 2018, the Company does not have any associate Company and or / Joint venture.**

Place : Chennai  
Date: May 24, 2018

**R. Jagadish**  
Director & CEO

**FORM NO. 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:

1. Details of Contracts or arrangements or transactions not at arm's length basis: **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - 2(I) (a) Name(s) of the related party and nature of relationship : **Allsectech Inc., USA (Wholly Owned Subsidiary)**
  - (b) Nature of contracts / arrangements/transactions : **Commission Agreement Renewal / Specialised Services Support**
  - (c) Duration of the contracts / arrangements / transactions : **2 years**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : **Selling Commission of 5% to Allsectech Inc. & Deployment of Specialised Resource on Need Basis**
  - (e) Date(s) of approval by the Board, if any : **February 12, 2016 / February 6, 2017**
  - (f) Amount paid as advances, if any : **Nil**
  - 2(II) (a) Name(s) of the related party and nature of relationship : **AllsecTech Manila Inc. Philippines (Wholly Owned Subsidiary)**
  - (b) Nature of contracts / arrangements/transactions : **Specialised Services Support / HRO Services**
  - (c) Duration of the contracts / arrangements / transactions : **Till Termination**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : **Deployment of Specialised Resources on Need Basis & Providing HRO related services**
  - (e) Date(s) of approval by the Board, if any : **November 9, 2017**
  - (f) Amount paid as advances, if any : **Nil**

Place : Chennai  
Date: May 24, 2018

**R. Jagadish**  
Director & CEO



**Disclosures pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.**

- a. Table showing ratio of Remuneration of each Director to the median remuneration of the employees of the Company

Amount in INR

S. No.	Name of the Director / KMP	Remuneration	Median Remuneration	Ratio (times)	% Increase in Remuneration during 2017-2018
1	R. Jagadish (Director & CEO)	1,28,40,000	204,006	62.94	23%
2	P. Raghunath (CFO)	41,74,887	204,006	20.46	11.20%
3	Gagan Preet Singh	9,47,783	204,006	4.65	Nil
4	A. Mohan Kumar*	10,33,398	204,006	5.07	Nil

- b. The Median Remuneration for the year 2017-18 : INR 204,006
- c. The number of permanent employees in the Rolls of the Company : 2584
- d. Percentage of Increase in the median remuneration of employees in the financial year : 13.16%
- e. 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:

Particulars	For the Financial Year 2017-18
A) Average percentile increase already made in the salaries of employees other than the managerial personnel	13.16 %
B) Percentile increase in the managerial remuneration	17.33%
Comparison of (A) & (B)	4.17
Justification	Due to higher commission to CEO which is based on Company's performance and as approved by Nomination and Remuneration Committee.
Any exceptional circumstances for increase in the managerial remuneration	NA

- f. Affirmation that the Remuneration is as per the policy :  
The Board has, on recommendation of the Nomination & Remuneration Committee framed a Remuneration Policy for selection, appointment of Directors & Senior Management and the same is available on the website link <https://www.allsectech.com/investor-information>.
- g. Statement of Employees drawing more than the value prescribed under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – NIL
- h. Disclosure of Top 10 Employees in terms of Remuneration drawn is as below:

**Disclosure of Top 10 Employees in terms of Remuneration drawn**

S. No.	Name	Designation of the Employee	Educational Qualification	Remuneration Received in Fiscal Year 2018	Exp. in years	Last Employment Details
1	R. Jagadish	Director & Chief Executive Officer	BSc., ACA & CIMA (London)	1,28,40,000	29	Finacial Advisory Firm
2	R. Vaithyanathan	Sr VP-Ops & HR	BSc., MBA JBIM (Mumbai)	58,03,001	23	Ranbaxy
3	C. Mahadevan	VP-HR Operations	BE. & Masters in Management Systems, UK	54,58,374	27	Kirloskar Oil & GAS
4	Saravanan Thambusamy	VP-Technology	BE & MBA	47,33,368	25	Zenta
5	P. Raghunath	Vice-President Finance & Accounts	ACA & ICWA	41,74,887	20	Fortis Malar Group
6	Narendra Kumar	Associate VP- Corporate Quality	B.Tech, MBA, PLAM IIM-C & CISA	39,66,390	30	Sutherland Global Solutions
7	K.G. Mohan	AVP-HR Operations	MBA	32,03,274	24	Kirloskar Pneumatic Company Ltd
8	R. Rajiv Kumar	AVP-Operations	BE	28,65,322	16	Flaxtel Systems
9	K. Sugumar	GM-IT	BE, MBA, SMP (IIM-C)	28,12,905	23	Serendw
10	K. Daniel Mahimairaj	GM - Projects	BE, PMI-ACP, CSM, CSPO, CSP, PRINCE 2 Practitioner	25,15,764	17	-





## ANNUAL REPORT ON CSR ACTIVITIES

Sr. No.	Particulars	Remarks
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be under taken and a reference to the web link to the CSR policy and project or programs.	The Company's CSR policy has been uploaded in the website of the Company under the web-link : <a href="https://www.allsectech.com/investor-information">https://www.allsectech.com/investor-information</a>
2.	The Composition of the CSR Committee.	T. Anantha Narayanan (Chairman) A. Saravanan (Member) R. Jagadish (Member)
3.	Average net profit of the Company for last three financial years	INR 1,169 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	INR 23 lakhs
5.	Details of CSR spent during the financial year a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below:	6 lakhs 17 lakhs Detailed in the table below

1	2	3	4	5	6	7	8
Sl. No.	CSR project Or activity Identified	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs(2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1	Donation for Education	(ii) Promoting education, including special education and employment enhancing vocational skills specially among children, women, elderly and the differently abled and livelihood enhancement project	Kalavai Guruparampara Veda Vidya Trust, Chennai District, Tamil Nadu	6.00 lakhs	Direct Expenditure: INR 6.00 lakhs	6.00 lakhs	Direct

\* Give details of implementing agency:

- 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 reasons for not spending the amount in its Board report, Refer Director's Report.
- CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**R. Jagadish**  
Director & CEO  
DIN : 00033589

**T. Anantha Narayanan**  
Chairman  
DIN : 00007227



**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
TO THE BOARD AS PER REGULATION 17(8) OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We hereby certify to the Board:

- A. We have reviewed financial statements and the cash flow statement for the period ended March 31, 2018 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place : Chennai  
Date: May 24, 2018

**R. Jagadish**  
Director & CEO

**P. Raghunath**  
Chief Financial Officer



ALLSEC TECHNOLOGIES LIMITED

*Standalone Financial Statements  
for the year ended March 31, 2018*

**Independent Auditor's Report****To the Members of Allsec Technologies Limited****Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of Allsec Technologies Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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 these 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance) including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

9. The Company had prepared separate set of consolidated financial statements for the year ended March 31, 2016 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which the predecessor auditors have issued auditor's report dated May 20, 2016. Further, the Company had prepared separate set of consolidated financial statements for the year ended



March 31, 2017 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we have issued auditor's report dated May 15, 2017. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 24, 2018 as per Annexure B expressed an unmodified opinion;
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in Note 32 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Place: Chennai  
Date: May 24, 2018

**Sumesh E S**

Partner

Membership No.: 206931



**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Place: Chennai  
Date: May 24, 2018

**Sumesh E S**

Partner

Membership No.: 206931

**Annexure B****Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Allsec Technologies Limited ('the Company') as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

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

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

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

6. A company's IFCoFR 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 IFCoFR include 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Place: Chennai

Date: May 24, 2018

**Sumesh E S**

Partner

Membership No.: 206931

## Balance Sheet

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	802	505	505
Capital work-in-progress		-	28	-
Other intangible assets	5	211	260	240
Financial assets				
- Investments	6	3,560	4,195	4,809
- Loans	7	-	-	1,133
- Other financial assets	8	371	423	433
Deferred tax assets	9	1,633	683	-
Current tax assets (net)		726	604	871
Other non-current assets	10	6	8	6
		<b>7,309</b>	<b>6,706</b>	<b>7,997</b>
<b>Current assets</b>				
Financial assets				
- Investments	6	7,297	6,133	1,918
- Trade receivables	11	2,306	2,308	2,447
- Cash and cash equivalents	12	1,334	176	414
- Bank balances other than cash and cash equivalents	13	33	33	294
- Loans	7	2	23	10
- Other financial assets	8	526	378	334
Other current assets	10	152	141	125
		<b>11,650</b>	<b>9,192</b>	<b>5,542</b>
<b>Total assets</b>		<b>18,959</b>	<b>15,898</b>	<b>13,539</b>
<b>EQUITY AND LIABILITIES</b>				
Equity share capital	14	1,524	1,524	1,524
Other equity	15	15,954	13,055	10,880
<b>Total equity</b>		<b>17,478</b>	<b>14,579</b>	<b>12,404</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	16	65	25	35
- Other financial liabilities	17	6	-	-
Provisions	18	305	93	53
		<b>376</b>	<b>118</b>	<b>88</b>
<b>Current liabilities</b>				
Financial Liabilities				
- Trade payables	19	446	434	378
- Other financial liabilities	17	291	268	262
Other current liabilities	20	206	148	97
Provisions	18	162	351	310
		<b>1,105</b>	<b>1,201</b>	<b>1,047</b>
<b>Total liabilities</b>		<b>1,481</b>	<b>1,319</b>	<b>1,135</b>
<b>Total equity and liabilities</b>		<b>18,959</b>	<b>15,898</b>	<b>13,539</b>

See accompanying notes (1-38) forming part of financial statements

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

Place: Chennai

Date: May 24, 2018

## Profit and Loss Account

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations	21	12,878	11,621
Other income	22	520	520
<b>Total income</b>		<b>13,398</b>	<b>12,141</b>
<b>EXPENSES</b>			
Employee benefits expense	23	7,454	6,486
Finance costs	24	24	67
Depreciation and amortisation expense	5	328	336
Other expenses	25	3,114	3,215
<b>Total expenses</b>		<b>10,920</b>	<b>10,104</b>
<b>Profit before tax</b>		<b>2,478</b>	<b>2,037</b>
<b>Tax expense</b>			
Current tax		529	466
Deferred tax	9	(950)	(683)
		<b>(421)</b>	<b>(217)</b>
<b>Profit for the year</b>		<b>2,899</b>	<b>2,254</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Re-measurement of the defined benefit liability - loss		-	79
- Income tax relating to above items		-	-
Items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive loss for the year, net of tax</b>		<b>-</b>	<b>79</b>
<b>Total comprehensive income for the year</b>		<b>2,899</b>	<b>2,175</b>
<b>Earnings per equity share</b>			
<b>Equity shares of par value INR 10/- each</b>	31		
Basic and diluted (INR)			
On profit for the year		19.02	14.79
On total comprehensive income		19.02	14.27
See accompanying notes (1-38) forming part of financial statements			

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

Place: Chennai

Date: May 24, 2018

## Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit before income tax	2,478	2,037
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	328	336
Loss on sale of property, plant and equipment (net)	24	13
Bad debts written off (net)	-	195
Provision for doubtful debts	13	-
Finance costs	22	32
Net gain on current investments	(446)	(265)
Interest Income		
- on fixed deposits	(2)	(10)
- on loans to subsidiary	-	(76)
- income tax refund	-	(129)
Dividend income	(17)	(27)
Operating profit before working capital changes	<u>2,400</u>	<u>2,106</u>
<b>Working capital adjustments:</b>		
(Increase) in trade receivables	(11)	(56)
(Increase) in other financial assets	(96)	(34)
Increase in trade payables	12	56
Increase in other financial liabilities	28	5
Increase in other liabilities	58	51
Increase in provisions	23	2
(Increase) in other assets	(9)	(18)
Direct taxes paid, net	(651)	(70)
<b>Net cash generated from operating activities</b>	<u>1,754</u>	<u>2,042</u>



## Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(574)	(409)
Proceeds from sale of Property, plant and equipment	2	12
Redemption of investments	635	614
Loans advanced to subsidiaries received	21	1120
Purchase of current investments (net)	(718)	(3,950)
Movement in bank balances other than cash and cash equivalents	-	261
Interest received	2	86
Dividend income	17	27
<b>Net cash used in investing activities</b>	<b>(615)</b>	<b>(2,239)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	80	31
Repayment of borrowings	(39)	(40)
Interest paid	(22)	(32)
<b>Net cash flow from / (used in) in financing activities</b>	<b>19</b>	<b>(41)</b>
Net increase/(decrease) in cash and cash equivalents	1,158	(238)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>176</b>	<b>414</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,334</b>	<b>176</b>
<b>Components of cash and cash equivalents (Also, refer note 12)</b>		
Cash on hand	2	1
With banks- on current account	1,332	175
<b>Total cash and cash equivalents</b>	<b>1,334</b>	<b>176</b>

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

Place: Chennai

Date: May 24, 2018

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

## Statement of Changes in Equity

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### A. Equity share capital

Amount

Balance as at April 01, 2016	1,524
Changes in equity share capital during the year	-
Balance as at March 31, 2017	1,524
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>1,524</b>

### B. Other equity

	Reserves and surplus				Other comprehensive income	Total
	General reserve	Retained earnings	Capital reserve	Securities premium reserve		
<b>Balances at April 01, 2016</b>	<b>1,413</b>	<b>-2,764</b>	<b>251</b>	<b>12,019</b>	<b>-39</b>	<b>10,880</b>
Profit for the year	-	2,254	-	-	-	2,254
Other comprehensive income	-	-	-	-	-79	-79
<b>Balance at March 31, 2017</b>	<b>1,413</b>	<b>-510</b>	<b>251</b>	<b>12,019</b>	<b>-118</b>	<b>13,055</b>
Profit for the year	-	2,899	-	-	-	2,899
<b>Balance at March 31, 2018</b>	<b>1,413</b>	<b>2,389</b>	<b>251</b>	<b>12,019</b>	<b>-118</b>	<b>15,954</b>

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of  
**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

Place: Chennai

Date: May 24, 2018



## 1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998 as a limited company under the erstwhile Companies Act, 1956 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Company is engaged in the business of providing Customer Lifecycle Management (CLM) and Human Resource Outsourcing (HRO) services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru and NCR. The Company has three wholly owned subsidiaries, Allsectech Inc., USA, Allsectech Manila Inc., Philippines and Retreat Capital Management Inc., USA. The Registered office of the entity is located at 7H Century Plaza, 560-562 Anna Salai, Teynampet, Chennai 600 018 and its principal place of business is at 46B Velachery Main Road, Velachery, Chennai 600 042.

## 2 Summary of significant accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act. The Company has adopted all the Indian Accounting standards and the adoption was carried out in accordance with Ind AS 101 – First-time adoption of Indian Accounting Standards. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets that have been measured at fair value. These financial statements are presented in currency INR, which is also the functional currency of the company. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated. Figures for the previous years have been reclassified/rearranged wherever considered necessary to conform to the figures presented in the current year.

### 2.2 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. In accordance with Ind AS 101, the Company presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

### 2.3 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### a. Significant management judgement

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised.

#### b. Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

**Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**2.4 Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable by the Company for services provided, excluding volume discounts and other applicable taxes and are recognized upon the performance of service or transfer of risk to the customer.

Revenue is recognized when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities has been met. These activity-specific recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below."

**Income from services**

Income from services is derived from both time based and unit priced contracts. Revenue is recognised as the related services are performed in accordance with the specific terms of the contract with the customer.

**Unbilled revenue**

Unbilled revenue represents amount recognised based on services performed in advance of billing in accordance with contractual terms.

**Dividend and interest income**

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method taking in to account the amount outstanding and the rate applicable.

**2.5 Property, plant and equipment**

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. They are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Property, plant and equipment as at April 01, 2016 are stated at deemed cost. Deemed cost for these assets is the total of gross block value minus accumulated depreciation for such gross block as at April 01, 2016.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The management, basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets. The estimated useful lives of assets are as follows:

Asset Description	Useful lives followed by Company (Years)	Useful lives prescribed under Schedule II to the Companies Act, 2013
Plant and machinery – Computers and servers	3 - 10	3
Plant and machinery – Call Centre Equipments	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor cycle	10	10
Vehicles – Motor cars	4 - 8	8

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period (3 – 4 years), whichever is less.

### 2.6 Other intangible assets

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

Intangible assets as at April 01, 2016 are stated at deemed cost. Deemed cost for these assets is the total of gross block value minus accumulated depreciation for such gross block as at April 01, 2016.

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software of 4 years, or over the license period of the software, whichever is shorter.

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

### 2.7 Impairment testing of other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

**2.8 Leases**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

All leases other than finance lease are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

**2.9 Investment in subsidiaries**

Investment in subsidiaries is carried at cost in separate financial statements, which is the carrying value in books under previous GAAP.

**2.10 Financial instruments****Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and, except for trade receivables which do not contain a significant financing component, these are measured initially at:

- (a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);
- (b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when the underlying obligation specified in the contract is discharged, cancelled or expires.

**Classification and subsequent measurement of financial assets**

In case of all financial assets except for those at FVTPL, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments at amortised cost
- Financial instruments at fair value through other comprehensive income (FVOCI)
- Financial instruments, derivatives and equity instruments at FVTPL
- Equity instruments measured at FVOCI

**2.10 Financial instruments (continued)****Financial instruments at amortised cost**

A 'financial instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Financial instruments at fair value through other comprehensive income (FVOCI)**

A 'financial instrument' is measured at FVOCI if both of the following criteria are met:





- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Financial instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI financial instrument is reported as interest income using the EIR method.

**Financial instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial instrument as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

**Equity investments**

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value, except for Ind AS 27 related. Equity instruments which are held for trading and contingent consideration has been recognised by an acquirer in a business combination to which Ind AS 103 applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI with subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

**Classification and subsequent measurement of financial liabilities**

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financial instruments and hedge accounting**

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

**Forward contracts**

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to probable forecast transactions. Such forward contracts are initially recognized at fair value on the date on which the contract is entered into and subsequently re-measured at fair value. These forward contracts are stated at fair value at each reporting date and these changes in fair value of these forward contract is recognized in statement of profit or loss. At each reporting date the net balance after fair valuation is shown as part as of other financial asset or liability

**2.11 Post-employment benefits and short-term employee benefits****Provident fund**

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

**Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lumpsum 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 with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method

Service cost on the Gratuity plan is included in employee benefits expense. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

**Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**2.12 Earnings per equity share**

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**2.13 Taxation**

Tax expense recognized in the statement of profit and loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that are relevant for the assessment year. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.



Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

At the end of each reporting period, the Company reassesses unrecognised deferred tax assets. The entity recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

## **2.14 Contingent liabilities and provisions**

Provisions for warranties, legal disputes, or other claims are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Company does not recognize contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

## **2.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.16 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

### **Amendment to Ind AS 7: Statement of Cash Flows**

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

## **3 Others**

### **3.1 Transfer Pricing**

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons,



functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended March 31, 2018 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

### 3.2 Segment reporting

Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as part of consolidated financial statements for the year ended March 31, 2018.

## 4 Recent accounting pronouncements

### Ind AS 21 - The effects of changes in foreign exchange rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

### Ind AS 115 - Revenue from Contract with Customers

On March 28, 2018, the MCA notified the IND AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services

The effective date of adoption of IND AS 115 is financial period beginning on or after 1 April 2018. The Company is in the process of evaluating the impact in this regard and will adopt the standard on 1 April 2018, accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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### 5 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible assets - Computer software
	Computers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles*	Leasehold improvements	Total	
<b>Gross block</b>								
Deemed cost as at April 01, 2016	36	201	54	80	115	19	505	240
Additions	-	106	3	35	86	7	237	144
Disposals	-	-	(3)	-	(22)	-	(25)	-
<b>Balance as at March 31, 2017</b>	<b>36</b>	<b>307</b>	<b>54</b>	<b>115</b>	<b>179</b>	<b>26</b>	<b>717</b>	<b>384</b>
Additions	195	80	8	73	165	29	550	52
Disposals	-	-	(10)	-	(16)	-	(26)	-
<b>Balance as at March 31, 2018</b>	<b>231</b>	<b>387</b>	<b>52</b>	<b>188</b>	<b>328</b>	<b>55</b>	<b>1,241</b>	<b>436</b>
<b>Accumulated depreciation/ amortisation</b>								
Depreciation/amortisation expense for the year	27	101	15	25	28	16	212	124
<b>Balance as at March 31, 2017</b>	<b>27</b>	<b>101</b>	<b>15</b>	<b>25</b>	<b>28</b>	<b>16</b>	<b>212</b>	<b>124</b>
Depreciation/amortisation expense for the year	44	86	13	28	45	11	227	101
<b>Balance as at March 31, 2018</b>	<b>71</b>	<b>187</b>	<b>28</b>	<b>53</b>	<b>73</b>	<b>27</b>	<b>439</b>	<b>225</b>
<b>Net block</b>								
Balance as at April 01, 2016	36	201	54	80	115	19	505	240
Balance as at March 31, 2017	9	206	39	90	151	10	505	260
<b>Balance as at March 31, 2018</b>	<b>160</b>	<b>200</b>	<b>24</b>	<b>135</b>	<b>255</b>	<b>28</b>	<b>802</b>	<b>211</b>

\* includes vehicles taken on finance lease: Gross block INR 161 (March 31, 2017: INR 115); Depreciation charge for the year INR 27 (March 31, 2017: INR 21); Accumulated depreciation INR 36 (March 31, 2017: INR 14); Net book value INR 124 (March 31, 2017: INR 101). Deemed cost of the assets taken on finance lease as at April 01, 2016 was INR 104.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>6 Investments</b>			
<b>A Non-current (Unquoted)</b>			
<b>i. Investments carried at cost</b>			
<b>Investments in equity instruments of subsidiaries (fully paid-up)</b>			
Allsectech Inc, USA	1,214	1,214	1,214
- 100 (March 31, 2017 and April 01, 2016 - 100) Common stock of US \$ 23,100 each, fully paid up			
Allsectech Manila Inc., Philippines	1,020	1,020	1,020
- 8,12,500 (March 31, 2017 and April 01, 2016 - 8,12,500) Equity shares of Philippine Pesos (PHP) 100 each fully paid up			
Retreat Capital Management Inc., USA	1,307	1,307	1,307
- 1,160 (March 31, 2017 and April 01, 2016 - 1,160) Common stock of US \$10 each, fully paid up			
<b>ii. Investments carried at fair value through profit or loss (FVTPL)</b>			
<b>Investments in equity instruments of other companies (fully paid-up)</b>			
Tulip Renewable Powertech Private Limited	19	6	-
- 194,775 (March 31, 2017 - 58,500 and April 01, 2016 "Nil") Equity shares of INR 10 each, fully paid up			
<b>iii. Investments carried at amortised cost</b>			
Investment in preference shares of subsidiary			
Allsectech Manila Inc., Philippines	-	648	1,268
- Nil (March 31, 2017 : 47,098,421 and April 01, 2016 : 84,431,171) Preference shares of PHP 1 each fully paid up			
<b>Total non-current investments</b>	<b>3,560</b>	<b>4,195</b>	<b>4,809</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	3,560	4,195	4,809
Aggregate amount of impairment in the value of investments	-	-	-
<b>Extent of investment in subsidiaries</b>			
Allsectech Inc, USA	100%	100%	100%
Allsectech Manila Inc., Philippines	100%	100%	100%
Retreat Capital Management Inc., USA	100%	100%	100%
<b>B. Current (Unquoted)</b>			
<b>Investments carried at fair value through profit and loss</b>			
Investment in mutual funds	7,297	6,133	1,918
<b>Total current investments</b>	<b>7,297</b>	<b>6,133</b>	<b>1,918</b>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	7,297	6,133	1,918
Aggregate amount of impairment in the value of investments	-	-	-



## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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### Details of investment in mutual funds

Name of Mutual fund	As at March 31, 2018	
	No of units	Amount
Baroda Pioneer Liquid Fund - Plan B Growth	10,044	201
Birla Sun Life Savings Fund - Growth - Regular Plan	4,79,198	1,638
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	18,71,317	450
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	52,27,781	1,581
HDFC Short Term Plan - Regular Plan - Growth	3,35,073	115
ICICI Prudential Flexible Income - Growth	4,32,645	1,442
ICICI Prudential Short Term - Growth Option	4,96,563	180
Kotak Floater Short Term Growth - (Regular Plan)	29,234	832
Kotak Flexi Debt Regular Plan Growth	5,73,522	128
Reliance Short Term Fund - Growth Plan Growth Option	9,52,847	311
Reliance Money Manager Fund - Growth Plan Growth Option	17,478	419
		<b>7,297</b>

Name of Mutual fund	As at March 31, 2017	
	No of units	Amount
Baroda Pioneer Credit Opportunities Fund - Plan B Growth	17,22,316	222
Birla Sun Life Savings Fund - Growth - Regular Plan	3,94,256	1,256
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	52,15,359	1,165
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	47,18,563	1,334
HDFC Short Term Plan - Regular Plan - Growth	3,35,073	110
Kotak Floater Short Term Growth - (Regular Plan)	22,166	590
ICICI Prudential Flexible Income - Growth	4,32,670	1,347
Tata Dynamic Bond Fund Regular Plan - Growth	4,28,837	109
		<b>6,133</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Name of Mutual fund	As at April 01, 2016	
	No of units	Amount
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	5,994	104
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	4,294	75
Birla Sun Life Floating Rate Fund - Long Term - Growth - Regular Plan	57,110	104
Canara Robeco Savings Plus Fund - Regular Growth	6,56,283	154
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	7,73,389	157
Franklin India Treasury Management Account - Super Institutional Plan - Growth	2,234	50
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	5,62,920	147
Kotak Low Duration Fund Standard Weekly Dividend (Regular Plan)	10,113	103
Kotak Treasury Advantage Fund - Growth (Regular Plan)	4,19,069	101
DHFL Pramerica Insta Cash Plus Fund - Growth	26,862	53
Taurus Liquid Fund - Regular Plan - Super Insti Growth	3,292	54
Taurus Ultra Short Term Bond Fund - Regular Plan - Super Insti Growth	5,547	101
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Growth	7,577	180
LIC Nomura MF Liquid Fund - Growth Plan	4,664	128
HSBC Cash Fund - Growth	3,361	51
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	1,370	51
Reliance Fixed Horizon Fund - XXX - Series 9 - Growth Plan	10,05,998	102
Religare Invesco Credit Opportunities Fund - Growth	5,872	102
Religare Invesco Medium Term Bond Fund - Direct Plan Growth	6,472	101
		<b>1,918</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>7 Loans</b>			
<b>Unsecured, considered good</b>			
<b>Non current</b>			
Loan to related parties-subsiidiaries (Also, refer note 30)	-	-	1,133
	<u>-</u>	<u>-</u>	<u>1,133</u>
<b>Current</b>			
Loan to related parties-subsiidiaries (Also, refer note 30)	2	23	10
	<u>2</u>	<u>23</u>	<u>10</u>
<b>Total loans</b>	<u>2</u>	<u>23</u>	<u>1,143</u>
Loans and Advances include amount receivable from subsidiaries:			
Allsectech Inc, USA	-	5	1,133
Allsectech Manila Inc., Philippines	2	18	10
<b>8 Other financial assets</b>			
<b>Non-current</b>			
Security deposits	371	423	433
	<u>371</u>	<u>423</u>	<u>433</u>
<b>Current</b>			
Security deposits	-	1	1
Foreign exchange forward contracts	-	41	21
Unbilled revenue	526	336	312
	<u>526</u>	<u>378</u>	<u>334</u>
<b>Total other financial assets</b>	<u>897</u>	<u>801</u>	<u>767</u>
<b>9 Deferred tax assets</b>			
The balance comprises temporary differences attributable to:-			
- Depreciation/ amortization as per books and depreciation as per tax	726	156	-
- Adjustments on account of provision for employee benefits	161	61	-
- MAT credit entitlement	746	466	-
	<u>1,633</u>	<u>683</u>	<u>-</u>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended March 31, 2018:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
- Depreciation/ amortization as per books and depreciation as per tax	-	298
- Tax benefit from previously unrecognized tax loss	-	272
- Adjustments on account of provision for employee benefits	-	100
- MAT credit entitlement	-	280
<b>Total</b>	<b>-</b>	<b>950</b>

### Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended March 31, 2017:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
- Depreciation/ amortization as per financials and depreciation as per tax	-	156
- Adjustments on account of provision for employee benefits	-	61
- MAT credit entitlement	-	466
<b>Total</b>	<b>-</b>	<b>683</b>

In assessing the recoverability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>10 Other assets</b>			
<b>Non current</b>			
Prepaid Expenses	6	8	6
	<u>6</u>	<u>8</u>	<u>6</u>
<b>Current</b>			
Balances with government authorities	-	14	19
Prepaid expenses	149	120	93
Others	3	7	13
	<u>152</u>	<u>141</u>	<u>125</u>
<b>Total other assets</b>	<u>158</u>	<u>149</u>	<u>131</u>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>11 Trade receivables</b>			
Unsecured, considered good (Also, refer note 30)	2,306	2,308	2,447
Unsecured, considered doubtful	13	-	31
Less : Allowances for bad and doubtful debts	(13)	-	(31)
	<u>2,306</u>	<u>2,308</u>	<u>2,447</u>
<b>12 Cash and cash equivalents</b>			
Cash on hand	2	1	1
Balance with banks in current accounts	1,332	175	413
	<u>1,334</u>	<u>176</u>	<u>414</u>
<b>13 Bank balances other than cash and cash equivalents</b>			
Balances with bank held as margin money	33	33	294
	<u>33</u>	<u>33</u>	<u>294</u>

Margin money deposits are subject to security against guarantee. This is not again disclosed as a contingent liability.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	Amount	Number	Amount	Number	Amount
<b>14 Equity share capital</b>						
<b>Authorised</b>						
Equity shares of INR 10/- each	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
Convertible preference shares of INR 100/- each	13,50,000	1,350	13,50,000	1,350	13,50,000	1,350
<b>Issued, subscribed and fully paid-up</b>						
Equity shares of INR 10/- each fully paid up	1,52,38,326	1,524	1,52,38,326	1,524	1,52,38,326	1,524
	<u>1,52,38,326</u>	<u>1,524</u>	<u>1,52,38,326</u>	<u>1,524</u>	<u>1,52,38,326</u>	<u>1,524</u>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

a) There is no change in issued and subscribed share capital during the current year and as well as in the previous year.

**b) Shareholders holding more than 5% of the aggregate shares in the Company**

**Equity shares of INR 10/- each fully paid**

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	% holding	Number	% holding	Number	% holding
A. Saravanan	31,12,119	20%	31,12,119	20%	31,12,119	20%
R. Jagadish	30,36,952	20%	30,36,952	20%	30,36,952	20%
First Carlyle Ventures Mauritius	47,02,838	31%	47,02,838	31%	47,02,838	31%

**c) Rights, preferences and restrictions attached to equity shares**

The Company has issued only one class of equity shares having a face value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding March 31, 2018.

e) Also, refer note 37.



## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017
<b>15 Other equity</b>		
<b>a) Securities premium reserve</b>		
Balance at the beginning of the year	12,019	12,019
Add : Additions made during the year	-	-
<b>Balance at the end of the year</b>	<b>12,019</b>	<b>12,019</b>
Securities premium reserve comprises of the amount of share issue price received over and above the face value of INR 10 each.		
<b>b) Capital reserve</b>		
Balance at the beginning of the year	251	251
Add : Additions made during the year	-	-
<b>Balance at the end of the year</b>	<b>251</b>	<b>251</b>
Capital reserve comprises initial application money on warrants received, forfeited subsequently.		
<b>c) General reserve</b>		
Balance at the beginning of the year	1,413	1,413
Add : Additions made during the year	-	-
<b>Balance at the end of the year</b>	<b>1,413</b>	<b>1,413</b>
General reserve represents an appropriation of profits by the Company.		
<b>d) Retained earnings</b>		
Balance at the beginning of the year	(510)	(2,764)
Add : Transfer from statement of profit and loss	2,899	2,254
<b>Balance at the end of the year</b>	<b>2,389</b>	<b>(510)</b>
<b>e) Other comprehensive income</b>		
Balance at the beginning of the year	(118)	(39)
Add : Transfer from other comprehensive income	-	(79)
<b>Balance at the end of the year</b>	<b>(118)</b>	<b>(118)</b>
<b>Total other equity</b>	<b>15,954</b>	<b>13,055</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>16 Borrowings</b>			
Non-current			
From banks			
Finance lease obligation (Secured) (Also, refer note 5) #	65	25	35
	<u>65</u>	<u>25</u>	<u>35</u>
# Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8.25%-10.75% p.a (March 31, 2017: 9.35% -14.50 %) with repayment term ranging from 3 to 5 years Also, refer note 29.			
<b>17 Other financial liabilities</b>			
Non-current			
Retentions	6	-	-
	<u>6</u>	<u>-</u>	<u>-</u>
Current			
Current maturities of finance lease obligations (Also, refer note 16)	33	32	31
Employee related payables	258	236	231
	<u>291</u>	<u>268</u>	<u>262</u>
<b>Total other financial liabilities</b>	<u>297</u>	<u>268</u>	<u>262</u>
<b>18 Provisions</b>			
Non-current			
Gratuity	305	93	53
	<u>305</u>	<u>93</u>	<u>53</u>
Current			
Gratuity	45	230	212
Compensated absences*	117	121	98
<b>Total provisions</b>	<u>162</u>	<u>351</u>	<u>310</u>

\* The amount of compensated absences provision is presented as current, since the Company does not have an unconditional right to defer settlement for this obligation.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### a) Provision for employee benefits

#### i) Gratuity

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment subject to a maximum limit of INR 20 lakhs (INR 10 lakhs until March 31, 2017). The scheme is funded with an insurance company in the form of a qualifying insurance policy. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Changes in present value of defined benefit obligation</b>		
<b>Projected benefit obligation at the beginning of the year</b>	<b>366</b>	<b>277</b>
Interest cost	25	22
Current service cost	45	32
Past service cost	46	-
Benefits paid	(29)	(45)
Actuarial loss	7	80
<b>Projected benefit obligation at the end of the year</b>	<b>460</b>	<b>366</b>
<b>Changes in fair value of plan assets</b>		
<b>Opening fair value of plan assets</b>	<b>43</b>	<b>12</b>
Expected return	5	1
Contributions by the Company	84	74
Benefits paid	(29)	(45)
Actuarial gains	7	1
<b>Closing fair value of plan assets</b>	<b>110</b>	<b>43</b>
<b>Net defined benefit obligation (deficit)</b>	<b>350</b>	<b>323</b>
<b>Amount recognised in profit or loss</b>		
Current service cost	45	32
Past service cost	46	-
Interest cost	25	22
Expected return on planned assets	(5)	(1)
<b>Total amount recognised in profit or loss</b>	<b>111</b>	<b>53</b>
<b>Amount recognised in other comprehensive income</b>		
Remeasurement due to changes in actuarial assumptions	-	79
<b>Total amount recognised in other comprehensive income</b>	<b>-</b>	<b>79</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Significant actuarial assumptions</b>			
a) Discount rate and expected return on plan assets	7.21%	7.09%	7.79%
b) Long-term rate of compensation increase	5%	5%	5%
c) Attrition rate			
- employees with service upto 5 years as at valuation date	35%	35%	35%
- employees with service more than 5 years as at valuation date	2%	2%	2%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

### Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>March 31, 2018</b>						
> Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
> Impact on defined benefit obligation	7	(10)	(40)	44	43	(40)
<b>March 31, 2017</b>						
> Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
> Impact on defined benefit obligation	7	(8)	(35)	41	42	(36)
<b>April 01, 2016</b>						
> Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
> Impact on defined benefit obligation	7	(8)	(25)	30	30	(26)

### Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2019 are INR 90 lakhs. The weighted average duration of the defined benefit obligation is 10.2 years (March 31, 2017: 12 years and April 01, 2016: 12 years).

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

The expected maturity analysis of undiscounted gratuity benefit obligation for the 10 years after balance sheet date is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	5-10 years	Total
<b>March 31, 2018</b>					
Defined benefit obligation	18	65	125	138	346
<b>March 31, 2017</b>					
Defined benefit obligation	29	23	64	110	226
<b>April 01, 2016</b>					
Defined benefit obligation	17	35	32	112	196

### Risk exposure

The defined benefit plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

#### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Indian rupees. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

#### Investment risk

The company maintains plan assets in the form of fund with Life Insurance Corporation of India. The fair value of the plan assets is exposed to the market risks (in India).

#### Longevity risk

The Company is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members , will increase the defined benefit liability.

#### Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>19 Trade payables</b>			
Trade payables to micro and small enterprises (Also, refer Note a)	-	-	-
Trade payables	444	434	339
Trade payables to related parties (Also, refer Note 30)	2	-	39
	<u>446</u>	<u>434</u>	<u>378</u>

#### a) Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There is no overdue amount payable to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any micro and small Enterprises during the current and previous year. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>20 Other current liabilities</b>			
Advances from customers	56	42	12
Statutory dues	150	106	85
	<u>206</u>	<u>148</u>	<u>97</u>
	Year ended March 31, 2018	Year ended March 31, 2017	
<b>21 Revenue from operations</b>			
Income from services	12,878	11,621	
	<u>12,878</u>	<u>11,621</u>	
<b>22 Other income</b>			
Dividend income on			
- Investment in subsidiaries (Also, refer note 30)	16	24	
- Current investments	1	3	
Interest Income			
- on fixed deposits	2	10	
- on loans to subsidiary (Also, refer note 30)	-	76	
- income tax refund	-	129	
- others	9	-	
Net gain on current investments*	446	265	
Net gain on foreign currency transaction and translation	37	-	
Miscellaneous income	9	13	
	<u>520</u>	<u>520</u>	
* Gain includes income from fair valuation of investments at balance sheet date amounting to INR 29 lakhs (previous year INR 18 lakhs)			
<b>23 Employee benefits expense</b>			
Salaries, wages and bonus	6,436	5,577	
Contribution to provident fund and other funds	496	447	
Gratuity expense (Also, refer note 18 a (i))	111	53	
Staff welfare expenses	411	409	
	<u>7,454</u>	<u>6,486</u>	
<b>24 Finance costs</b>			
Interest expense	7	42	
Other borrowing costs			
- Bank guarantee charges	4	13	
- Others	13	12	
	<u>24</u>	<u>67</u>	



## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	Year ended March 31, 2018	Year ended March 31, 2017
<b>25 Other expenses</b>		
Power and fuel	378	397
Repairs to:		
Machinery	327	307
Others	229	275
Security charges	152	147
Rent	929	797
Rates and taxes	10	11
Insurance	16	16
Travelling and conveyance	184	186
Connectivity cost	321	291
Communication expenses	21	26
Legal and professional charges (Also, refer note 26)	392	334
Selling commission	15	34
Loss on sale of property, plant and equipment (net)	24	13
Bad debts written off (net)	-	195
Provision for doubtful debts	13	-
Corporate social responsibility expenditure (Refer note 27)	6	5
Net loss on foreign currency transaction and translation	-	81
Miscellaneous expenses	97	100
	<b>3,114</b>	<b>3,215</b>
<b>26 Details of payment to auditors (included as part of legal and professional charges)*</b>		
<b>As auditor:</b>		
Audit fee	30	28
<b>In other capacities:</b>		
Certification fees	1	-
Other services	7	-
Re-imbursement of expenses	1	1
	<b>39</b>	<b>29</b>

\*excluding taxes

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### 27 Corporate social responsibility expenditure

As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years as computed under Section 198 of the Act, are as follows:

(a)	Gross amount to be spent	23	13
(b)	Amount spent during the year (Also, refer note 27(ii))	6	5

Particulars	In cash	Yet to be paid	Total
<b>For the year ended March 31, 2018</b>			
On construction/acquisition of an asset	-	-	-
On purposes other than above	6	-	6
<b>For the year ended March 31, 2017</b>			
On construction/acquisition of an asset	-	-	-
On purposes other than above	5	-	5

### 28 Tax expenses

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 34.61% (Financial year 2016-17: 34.61%) and the reported tax expense in the Statement of Profit and Loss are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	2,478	2,037
Domestic tax rate	34.61%	34.61%
Expected tax expense	858	705
Tax expense under normal provisions not created*	-	(705)
Deferred tax assets created	-	(217)
Deferred tax assets relating to prior years created	(1,218)	-
Adjustment for non-deductible expenses	2	-
Tax on income taxable at other than domestic tax rate	(66)	-
Others	3	-
<b>Actual tax expense</b>	<b>(421)</b>	<b>(217)</b>
Tax expense comprises:		
Current tax expense	529	466
Deferred tax expense:		
Origination and reversal of temporary differences	(950)	(683)
<b>Tax expense</b>	<b>(421)</b>	<b>(217)</b>
Deferred tax expense (income), recognised directly in other comprehensive income	-	-

\* During the previous year, the Company paid tax under MAT and availed the credit entitlement. Note 9 provides information on deferred tax assets.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### Details of temporary differences and unused tax credits for which no deferred asset is recognised

	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax assets not recognised on:-</b>		
Unused tax losses	-	227
MAT credit entitlement	-	254
<b>Timing differences on account of:-</b>		
Depreciation	-	645
Employee benefits	-	92
	<u>-</u>	<u>1,218</u>

Unused tax losses (unabsorbed depreciation) can be carried forward indefinitely and have no expiry date. MAT credit can be carried forward for 10 assessment years immediately succeeding the assessment year in which such credit is allowed.

	As at March 31, 2018	As at March 31, 2017
<b>Tax related contingent liabilities</b>		
Claims against the Company not acknowledged as debts	-	44

## 29 Leases

### Finance leases as lessee

Vehicles of Allsec include cars obtained on finance lease. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Finance lease liabilities (refer note 16) are secured by the related assets held under finance leases. Future minimum finance lease payments at 31 March were as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
<b>March 31, 2018</b>				
Lease payments	40	72	-	112
Finance charges	(7)	(7)	-	(14)
<b>Net present values</b>	<b>33</b>	<b>65</b>	<b>-</b>	<b>98</b>
<b>March 31, 2017</b>				
Lease payments	36	28	-	64
Finance charges	(4)	(3)	-	(7)
<b>Net present values</b>	<b>32</b>	<b>25</b>	<b>-</b>	<b>57</b>
<b>March 31, 2016</b>				
Lease payments	36	38	-	74
Finance charges	(5)	(3)	-	(8)
<b>Net present values</b>	<b>31</b>	<b>35</b>	<b>-</b>	<b>66</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### Operating leases as lessee

The Company has operating leases for Office premises in India. These lease arrangements range for a period between 12 months to 60 months and are cancellable leases. These leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

	Year ended March 31, 2018	Year ended March 31, 2017
Lease expense during the year, representing the minimum lease payments	929	797

## 30 Related party transactions

### A. Names of related parties and related party relationships

Relationship	Name of the related party
<b>Related parties where control exists</b>	
Subsidiaries (Wholly owned)	Allsectech Inc., USA Allsectech Manila Inc., Philippines Retreat Capital Management Inc., USA
<b>Key management personnel</b>	
Whole-time director	Mr. R. Jagadish
Non - whole-time director	Mr. A. Saravanan
Non - whole-time director	Mr. T. Anantha Narayanan
Non - whole-time director	Mr. C. Jayaram
Non - whole-time director	Mr. D. Padmanabhan
Non - whole-time director	Ms. Lalitha Sankaran
Chief financial officer	Mr. P. Raghunath

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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### B. Transactions with related parties

Particulars	Subsidiaries		Key management personnel	
	2017-18	2016-17	2017-18	2016-17
<b>Selling commission - expenses</b>				
Allsectech Inc., USA	-	22	-	-
<b>Income from services billed to</b>				
Allsectech Inc., USA	409	268	-	-
Retreat Capital Management Inc., USA	-	461	-	-
Allsectech Manila Inc., Philippines	398	-	-	-
<b>Interest income on loan to</b>				
Allsectech Inc., USA	-	76	-	-
<b>Redemption of preference shares (receipt)</b>				
Allsectech Manila Inc., Philippines	585	506	-	-
<b>Dividend income</b>				
Allsectech Manila Inc., Philippines	16	24	-	-
<b>Reimbursement of expenses incurred by company</b>				
Retreat Capital Management Inc., USA	-	62	-	-
Allsectech Manila Inc., Philippines	23	8	-	-
<b>Reimbursement of expenses incurred by wholly owned subsidiary</b>				
Allsectech Inc., USA	33	55	-	-
<b>Remuneration and other benefits*</b>				
Whole-time director	-	-	128	104
Chief financial officer	-	-	42	37
Non-whole-time directors	-	-	9	7

\* Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### C. Balances with related parties

Particulars	Subsidiaries		Key management personnel	
	2017-18	2016-17	2017-18	2016-17
<b>Trade receivables</b>				
Allsectech Inc., USA	113	10	-	-
Allsectech Manila Inc., Philippines	146	-	-	-
Retreat Capital Management Inc., USA	-	56	-	-
<b>Payables</b>				
Allsectech Inc., USA	2	-	-	-
<b>Loans</b>				
Allsectech Manila Inc., Philippines	2	18	-	-
Allsectech Inc., USA	-	5	-	-
<b>Remuneration payable</b>				
Whole-time director	-	-	36	20

The details of the maximum amount outstanding for the years ended March 31, 2018 and March 31, 2017 are as follows:

Particulars	Subsidiaries		Key management personnel	
	2017-18	2016-17	2017-18	2016-17
<b>Loans and Advances and other assets</b>				
Allsectech Manila Inc., Philippines	18	18	-	-
Allsectech Inc., USA	5	1,133	-	-
<b>Investments made in subsidiaries</b>				
Allsectech Inc, USA	1,214	1,214	-	-
Allsectech Manila Inc., Philippines	1,668	2,288	-	-
Retreat Capital Management Inc., USA	1,307	1,307	-	-

### 31 Earnings per equity share

	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax considered as numerator for calculating basic and diluted earnings per share	2,899	2,254
Total comprehensive income considered as numerator for calculating basic and diluted earnings per share	2,899	2,175
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	1,52,38,326	1,52,38,326



## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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### 32 Contingent liabilities and commitments

#### Claims against the company not acknowledged as debt

The Company received a demand from the Tamil Nadu Electricity Board for an amount of INR 109 lakhs in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

Commitments	As at March 31, 2018	As at March 31, 2017
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	110	75

### 33 Financial assets and liabilities

#### Categories of financial assets and financial liabilities

Note 2.10 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Financial assets at FVTPL	Financial assets at amortised cost	Total	Financial assets at FVTPL	Financial assets at amortised cost	Total	Financial assets at FVTPL	Financial assets at amortised cost	Total
<b>Financial assets</b>									
Investments*	7,316	-	7,316	6,139	648	6,787	1,918	1,268	3,186
Loans	-	2	2	-	23	23	-	1,143	1,143
Trade receivables	-	2,306	2,306	-	2,308	2,308	-	2,447	2,447
Cash and cash equivalents	-	1,334	1,334	-	176	176	-	414	414
Other bank balances	-	33	33	-	33	33	-	294	294
Other financial assets	-	897	897	41	760	801	21	746	767
	<b>7,316</b>	<b>4,572</b>	<b>11,888</b>	<b>6,180</b>	<b>3,948</b>	<b>10,128</b>	<b>1,939</b>	<b>6,312</b>	<b>8,251</b>

\* Does not include investment in subsidiaries which are accounted at cost in accordance with Ind AS 27.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Other liabilities at amortised cost	Other liabilities at amortised cost	Other liabilities at amortised cost
<b>Financial liabilities</b>			
Borrowings	98	57	66
Trade payables	446	434	378
Other financial liabilities	297	268	262
	<b>841</b>	<b>759</b>	<b>706</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### 34 Financial instruments risk

#### Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Short-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

#### Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

#### Foreign currency sensitivity

Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas sale of services, which are primarily denominated in US dollars (USD) and Philippine Pesos (PHP).

To mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

Book value in INR of foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below:

	Short term exposure		Long-term exposure	
	USD	PHP	USD	PHP
<b>March 31, 2018</b>				
Financial assets	2,065	2	-	-
Financial liabilities	2	-	-	-
<b>Total exposure</b>	<b>2,063</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>March 31, 2017</b>				
Financial assets	965	18	-	648
Financial liabilities	-	-	-	-
<b>Total exposure</b>	<b>965</b>	<b>18</b>	<b>-</b>	<b>648</b>

Investments in equity of subsidiaries are not considered in the above table since the same is not impacted due to foreign currency risk.

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease /increase in the Company's profit before taxes by approximately INR 207 lakhs for the year ended March 31, 2018 (March 31, 2017: INR 163 lakhs).

#### Interest rate sensitivity

Borrowings that existed as at March 31, 2018 are at fixed interest rates and hence the Company is not exposed to changes in market interest rates.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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### Other price sensitivity

The Company is exposed to other price risk in respect of its investments in mutual funds.

For the mutual fund units, an average volatility of 0.83% has been observed during 2017-18 (2016-17: 0.79%). This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the net asset value (NAV) for these securities increased or decreased by that amount, the statement of profit and loss and equity would have changed by INR 61 lakhs (2016-17: INR 49 lakhs).

### Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, investments etc. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, 2018.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and investment in mutual funds is considered negligible, since the counterparties have high quality external credit ratings.

### Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available funds in order to determine headroom or any shortfalls. This analysis shows that available funds are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by the ability to sell/recover long-term financial assets.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

As at March 31, 2018, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

March 31, 2018	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Finance lease obligations	20	20	72	-
Trade and other payables	704	-	6	-
<b>Total</b>	<b>724</b>	<b>20</b>	<b>78</b>	<b>-</b>

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting periods as follows:

March 31, 2017	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Finance lease obligations	20	16	28	-
Trade and other payables	670	-	-	-
<b>Total</b>	<b>690</b>	<b>16</b>	<b>28</b>	<b>-</b>

In assessing and managing liquidity risks of its derivative financial instruments, the Company considers both contractual inflows and outflows. As at March 31, 2018, there were no derivative financial assets and liabilities that existed.

The contractual cash flows of the Company's derivative financial assets and liabilities in the previous reporting periods as follows:

March 31, 2017	Current	
	Within 6 months	6 to 12 months
<b>Net settled forward contracts</b>		
Cash inflow	41	-
<b>Total</b>	<b>41</b>	<b>-</b>

### 35 Fair value measurement

#### Fair value measurement of financial instruments

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at March 31, 2018, March 31, 2017 and April 01, 2016. There were no financial liabilities measured at fair value as at the reporting dates.

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>March 31, 2018</b>				
Investments in mutual fund units	7,297	-	-	7,297
Investments in equity instruments of other companies	-	-	19	19
Foreign exchange forward contracts	-	-	-	-
<b>March 31, 2017</b>				
Investments in mutual fund units	6,133	-	-	6,133
Investments in equity instruments of other companies	-	-	6	6
Foreign exchange forward contracts	-	41	-	41
<b>April 01, 2016</b>				
Investments in mutual fund units	1,918	-	-	1,918
Investments in equity instruments of other companies	-	-	-	-
Foreign exchange forward contracts	-	21	-	21

**Measurement of fair value of financial instruments**

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Company's reporting dates.

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

**Investments in mutual fund units (Level 1)**

The mutual funds are valued using the closing NAV.

**Foreign exchange forward contracts (Level 2)**

The Company's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

**Investments in equity instruments of other companies (Level 3)**

These investments are not traded in active markets, and management considers the cost of investments to approximate the fair value.

**Financial instruments measured at amortised cost for which the fair value is disclosed**

The carrying amount of all financial instruments measured at amortised cost are considered to be a reasonable approximation of the fair value.

**Fair value measurement of non-financial assets**

There are no non-financial assets that were measured at fair value on the reporting dates.

**36 Capital management policies and procedures**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

**37 Post reporting date events**

The Company has proposed a dividend of INR 5 per share on its equity share (50% of par value of INR 10 each) for the financial year 2017-18.

**38 First-time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017. This note explains the principal adjustments made by the Company in restating its statement of financial position as at April 01, 2016 and its previously published financial statements as at and for the year ended March 31, 2017 under previous GAAP.

**a) First time adoption exemptions applied**

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

**Mandatory exceptions adopted by the Company****(i) Estimates**

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.



### Optional exemptions availed by the Company

#### (i) Property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets).

#### (ii) Investment in subsidiaries

Investment in subsidiaries are measured at the carrying value under previous GAAP on the date of transition to Ind AS. These carrying value under previous GAAP are considered to be the deemed cost as at the date of transition.

#### (iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively, for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively, from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

#### (iv) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has elected to apply this exemption to its financial assets.

#### (v) Leases

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

#### (vi) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application that would require restatement of all business combinations prior to date of transition. However, this exemption does not extend to business combinations that occurred after the date of transition to Ind ASs but within the comparative period. The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to date of transition have not been restated.

#### b) Reconciliation of equity

Reconciliation of equity as at April 01, 2016 (date of transition to Ind AS)

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		505	-	505
Other intangible assets		240	-	240



## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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	Foot note	Previous GAAP*	Adjustments	Ind AS
Financial assets				
- Investments	a	4,813	(4)	4,809
- Loans		1,133	-	1,133
- Other financial assets	b	459	(26)	433
Current tax assets (net)		871	-	871
Other non-current assets		6	-	6
		<u>8,027</u>	<u>(30)</u>	<u>7,997</u>
<b>Current assets</b>				
Financial assets				
- Investments	c	1,911	7	1,918
- Trade receivables		2,447	-	2,447
- Cash and cash equivalents		414	-	414
- Bank balances other than those mentioned in cash and cash equivalents		294	-	294
- Loans		10	-	10
- Other financial assets	d	307	27	334
Other current assets		125	-	125
		<u>5,508</u>	<u>34</u>	<u>5,542</u>
<b>Total assets</b>		<u>13,535</u>	<u>4</u>	<u>13,539</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Equity share capital		1,524	-	1,524
Other equity		10,876	4	10,880
<b>Total equity</b>		<u>12,400</u>	<u>4</u>	<u>12,404</u>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		35	-	35
Provisions		53	-	53
		<u>88</u>	<u>-</u>	<u>88</u>
<b>Current liabilities</b>				
Financial Liabilities				
- Trade payables		378	-	378
- Other financial liabilities		262	-	262
Provisions		310	-	310
Other current liabilities		97	-	97
<b>Total liabilities</b>		<u>1,135</u>	<u>-</u>	<u>1,135</u>
<b>Total equity and liabilities</b>		<u>13,535</u>	<u>4</u>	<u>13,539</u>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



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### Reconciliation of equity as at March 31, 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		505	-	505
Capital work-in-progress		28	-	28
Other intangible assets		260	-	260
Financial assets				
- Investments	a	4,377	(182)	4,195
- Loans		-	-	-
- Other financial assets	b	484	(61)	423
Current tax assets (net)		604	-	604
Deferred tax assets		683	-	683
Other non-current assets		8	-	8
		<u>6,949</u>	<u>(243)</u>	<u>6,706</u>
<b>Current assets</b>				
Financial assets				
- Investments	c	6,115	18	6,133
- Trade receivables		2,308	-	2,308
- Cash and cash equivalents		176	-	176
- Bank balances other than those mentioned in cash and cash equivalents		33	-	33
- Loans		23	-	23
- Other financial assets		378	-	378
Other current assets		141	-	141
		<u>9,174</u>	<u>18</u>	<u>9,192</u>
<b>Total assets</b>		<u>16,123</u>	<u>(225)</u>	<u>15,898</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Equity share capital		1,524	-	1524
Other equity		13,280	(225)	13,055
<b>Total equity</b>		<u>14,804</u>	<u>(225)</u>	<u>14,579</u>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		25	-	25
Provisions		93	-	93
		<u>118</u>	<u>-</u>	<u>118</u>
<b>Current liabilities</b>				
Financial Liabilities				
- Trade payables		434	-	434
- Other financial liabilities		268	-	268
Provisions		351	-	351
Other current liabilities		148	-	148
<b>Total liabilities</b>		<u>1,319</u>	<u>-</u>	<u>1,319</u>
<b>Total equity and liabilities</b>		<u>16,123</u>	<u>(225)</u>	<u>15,898</u>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

### Reconciliation of profit and loss for the year ended March 31, 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations		11,621	-	11,621
Other income	a, b, c, d	632	(112)	520
<b>Total income</b>		<b>12,253</b>	<b>(112)</b>	<b>12,141</b>
<b>Expenses</b>				
Employee benefits expense	e	6,565	(79)	6,486
Finance costs	b	32	35	67
Depreciation and amortisation expense		336	-	336
Other expenses	a, d	3,133	82	3,215
<b>Total expenses</b>		<b>10,066</b>	<b>38</b>	<b>10,104</b>
<b>Profit before tax</b>		<b>2,187</b>	<b>(150)</b>	<b>2,037</b>
<b>Tax expense</b>				
Current tax		466	-	466
Deferred tax		(683)	-	(683)
		<b>(217)</b>	<b>-</b>	<b>(217)</b>
<b>Profit for the year</b>		<b>2404</b>	<b>(150)</b>	<b>2254</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
- Re-measurement of the defined benefit liability/ asset (net)	e	-	79	79
- Income tax relating to above items		-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>79</b>	<b>79</b>
<b>Total comprehensive income</b>		<b>2,404</b>	<b>(229)</b>	<b>2175</b>

### Reconciliation of Other Equity as at April 01, 2016

Particulars	Foot note	Reserves and surplus				Other comprehensive income	Total
		General reserve	Retained earnings	Capital reserve	Securities premium reserve		
Balances at April 01, 2016 (As per Indian GAAP)		1,413	(2,807)	251	12,019	-	10,876
Ind AS Adjustments							
Actuarial loss transferred to other comprehensive income	e	-	39	-	-	(39)	-
Gain on fair valuation of mutual funds	c	-	7	-	-	-	7
Expense recognised on fair valuation of security deposits	b	-	(26)	-	-	-	(26)
Remeasurement of investment in redeemable preference shares	a	-	(4)	-	-	-	(4)
Forward contract revaluation	d	-	27	-	-	-	27
<b>Balances at April 01, 2016 (Ind AS)</b>		<b>1,413</b>	<b>(2,764)</b>	<b>251</b>	<b>(12,019)</b>	<b>(39)</b>	<b>10,880</b>

The impact of the adjustments on account of transition to Ind AS on the statement of cash flows for the year ended March 31, 2017 is not material.

## Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

### Footnotes to the reconciliations

#### a Investments in preference shares of overseas subsidiary

Under the previous GAAP, investments in preference shares of subsidiary was carried at cost. Under Ind AS, these investments, denominated in Pesos, are to be classified as financial assets at amortised cost and be translated using the exchange rate at the reporting date with a corresponding debit/credit to the statement of profit and loss. Interest on such components are recognized using effective interest method.

#### b Fair valuation of lease deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Company has recognized these security deposits at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the security deposit has been recognized as deferred rent which would be amortized over a straight line basis over the period of the deposit.

#### c Fair valuation of investments

Under the previous GAAP, investments in equity (other than subsidiaries) and mutual funds were classified as long-term investments or current investments based on intended holding period or realisability and were accounted at cost less provision for diminution in value of investments (other than temporary) or at lower of cost and fair value, respectively. Under Ind AS, these investments are required to be measured at fair value. The Company has designated these investments as classified at fair value through profit or loss account. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit and loss account.

#### d Accounting for forward contracts

Under previous GAAP, derivative financial instruments were accounted in accordance with AS 11, as at the Balance Sheet date. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the changes are recognised in statement of profit and loss.

#### e Defined benefit obligation

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

Place: Chennai

Date: May 24, 2018

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary



ALLSEC TECHNOLOGIES LIMITED

*Consolidated Financial Statements  
for the year ended March 31, 2018*

**Independent Auditor's Report****To the Members of Allsec Technologies Limited****Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Allsec Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**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 ('the Act') that give a true and fair view of the consolidated statement of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group are in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. 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; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 controls 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.
7. 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 paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 statement of affairs (consolidated financial position) of the Group, as at March



31, 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

**Other Matters**

9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of INR 11,073 lakhs and net assets of INR 5,631 lakhs as at March 31, 2018, total revenues of INR 22,580 lakhs and net cash inflows amounting to INR 2,611 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far 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, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Further, three subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

10. The Group had prepared separate set of consolidated financial statements for the year ended March 31, 2016 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which the predecessor auditors have issued auditor's report dated May 20, 2016. Further, the Group had prepared separate set of consolidated financial statements for the year ended March 31, 2017 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we have issued auditor's report dated May 15, 2017. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries, 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 purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;



## Auditors' Report

On Consolidated Financial Statements



ALLSEC TECHNOLOGIES LIMITED

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 31 to the consolidated financial statements.
  - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act during the year ended March 31, 2018;
  - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Place: Chennai  
Date: May 24, 2018

**Sumesh E S**

Partner

Membership No.: 206931

**Annexure A****Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Allsec Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, which is a company covered under the Act, as at that date.

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

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR of the Holding Company, as aforesaid.

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

6. A company's IFCoFR 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 IFCoFR include 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 has in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Place: Chennai  
Date: May 24, 2018

**Sumesh E S**  
Partner  
Membership No.: 206931

# Consolidated Balance Sheet

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	964	664	742
Capital work-in-progress		-	28	-
Goodwill	5	1,249	1,249	1,249
Other intangible assets	5	211	260	240
Intangible assets under development		-	32	33
Financial assets				
- Investments	6	19	6	-
- Other financial assets	7	493	564	535
Deferred tax assets	8	1,633	683	-
Current tax assets (net)		810	689	957
Other non-current assets	9	6	8	6
		<b>5,385</b>	<b>4,183</b>	<b>3,762</b>
<b>Current assets</b>				
Financial assets				
- Investments	6	7,297	6,133	1,918
- Trade receivables	10	4,105	3,651	5,641
- Cash and cash equivalents	11	6,620	2,870	1,224
- Bank balances other than cash and cash equivalents	12	33	33	294
- Other financial assets	7	527	604	369
Other current assets	9	186	165	237
		<b>18,768</b>	<b>13,456</b>	<b>9,683</b>
<b>Total assets</b>		<b>24,153</b>	<b>17,639</b>	<b>13,445</b>
<b>EQUITY AND LIABILITIES</b>				
Equity share capital	13	1,524	1,524	1,524
Other equity	14	19,229	13,436	7,630
<b>Total equity</b>		<b>20,753</b>	<b>14,960</b>	<b>9,154</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	15	65	25	35
- Other financial liabilities	16	6	-	-
Provisions	17	305	93	53
		<b>376</b>	<b>118</b>	<b>88</b>
<b>Current liabilities</b>				
Financial Liabilities				
- Borrowings	15	-	-	825
- Trade payables	18	799	665	1,864
- Other financial liabilities	16	743	883	936
Other current liabilities	19	464	378	251
Provisions	17	162	351	310
Current tax liabilities (net)		856	284	17
		<b>3,024</b>	<b>2,561</b>	<b>4,203</b>
<b>Total liabilities</b>		<b>3,400</b>	<b>2,679</b>	<b>4,291</b>
<b>Total equity and liabilities</b>		<b>24,153</b>	<b>17,639</b>	<b>13,445</b>

See accompanying notes (1-38) forming part of financial statements

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

Place: Chennai

Date: May 24, 2018

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

# Consolidated Profit and Loss Account

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations	20	32,496	31,812
Other income	21	738	729
<b>Total income</b>		<b>33,234</b>	<b>32,541</b>
<b>EXPENSES</b>			
Employee benefits expense	22	11,731	9,602
Finance costs	23	33	119
Depreciation and amortisation expense	5	450	554
Other expenses	24	14,661	15,938
<b>Total expenses</b>		<b>26,875</b>	<b>26,213</b>
<b>Profit before tax</b>		<b>6,359</b>	<b>6,328</b>
<b>Tax expense</b>			
Current tax		1,356	839
Deferred tax	8	(950)	(683)
		<b>406</b>	<b>156</b>
<b>Profit for the year</b>		<b>5,953</b>	<b>6,172</b>
<b>Other comprehensive income:</b>			
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		160	287
Income tax relating to above items		-	-
		<b>160</b>	<b>287</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit liability - loss		-	79
Income tax relating to above items		-	-
		<b>-</b>	<b>79</b>
<b>Total other comprehensive loss for the year, net of tax</b>		<b>160</b>	<b>366</b>
<b>Total comprehensive income for the year</b>		<b>5,793</b>	<b>5,806</b>
<b>Earnings per equity share</b>			
<b>Equity shares of par value INR 10/- each</b>	29		
Basic and diluted (INR)			
On profit for the year		39.07	40.50
On total comprehensive income		38.02	38.10
See accompanying notes (1-38) forming part of financial statements			

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

Place: Chennai

Date: May 24, 2018

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

## Consolidated Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit before income tax	6,359	6,328
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	450	554
Loss on sale of property, plant and equipment (net)	24	13
Bad debts written off (net)	-	195
Provision for doubtful debts	13	(40)
Finance costs	31	84
Net gain on current investments	(446)	(265)
Interest Income		
- on fixed deposits	(2)	(10)
- income tax refund	-	(129)
Dividend income	(1)	(3)
Operating profit before working capital changes	<u>6,428</u>	<u>6,727</u>
<b>Working capital adjustments:</b>		
(Increase)/decrease in trade receivables	(482)	1,750
Decrease/(increase) in other financial assets	107	(258)
Increase/(decrease) in trade payables	161	(1,100)
Increase/(decrease) in other financial liabilities	82	(38)
Decrease/(increase) in other liabilities	(155)	84
Increase in provisions	24	9
Decrease in other assets	13	31
Direct taxes paid, net	(899)	(175)
<b>Net cash generated from operating activities</b>	<u>5,279</u>	<u>7,030</u>

## Consolidated Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(702)	(558)
Proceeds from sale of Property, plant and equipment	2	12
Purchase of current investments (net)	(718)	(3,950)
Movement in bank balances other than cash and cash equivalents	-	261
Dividend income	1	3
<b>Net cash used in investing activities</b>	<b>(1,417)</b>	<b>(4,232)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	80	31
Repayment of borrowings	(39)	(876)
Interest paid	(31)	(84)
<b>Net cash flow from / (used in) in financing activities</b>	<b>10</b>	<b>(929)</b>
Net increase in cash and cash equivalents	3,872	1,869
Effect of exchange differences on cash & cash equivalents held in foreign currency	(122)	(223)
Cash and cash equivalents at the beginning of the year	2,870	1,224
<b>Cash and cash equivalents at the end of the year</b>	<b>6,620</b>	<b>2,870</b>
<b>Components of cash and cash equivalents (Also, refer note 11)</b>		
Cash on hand	3	2
With banks- in current account	6,617	2,868
<b>Total cash and cash equivalents</b>	<b>6,620</b>	<b>2,870</b>

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of

**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary

Place: Chennai

Date: May 24, 2018

## Consolidated Statement of Changes in Equity

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### A. Equity share capital

Amount

Balance as at April 01, 2016	1,524
Changes in equity share capital during the year	-
Balance as at March 31, 2017	1,524
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>1,524</b>

### B. Other equity

	Reserves and surplus				Other comprehensive income	Foreign currency translation reserve	Total
	General reserve	Retained earnings	Capital reserve	Securities premium reserve			
<b>Balances at April 01, 2016</b>	<b>1,413</b>	<b>(6,014)</b>	<b>251</b>	<b>12,019</b>	<b>(39)</b>	<b>-</b>	<b>7,630</b>
Profit for the year	-	6,172	-	-	-	(287)	5,885
Other comprehensive income	-	-	-	-	(79)	-	(79)
<b>Balance at March 31, 2017</b>	<b>1,413</b>	<b>158</b>	<b>251</b>	<b>12,019</b>	<b>(118)</b>	<b>(287)</b>	<b>13,436</b>
Profit for the year	-	5,953	-	-	-	(160)	5,793
<b>Balance at March 31, 2018</b>	<b>1,413</b>	<b>6,111</b>	<b>251</b>	<b>12,019</b>	<b>(118)</b>	<b>(447)</b>	<b>19,229</b>

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of  
**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

Place: Chennai

Date: May 24, 2018

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary





## 1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998 as a limited company under the erstwhile Companies Act, 1956 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Company is engaged in the business of providing Customer Lifecycle Management (CLM) and Human Resource Outsourcing (HRO) services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru and NCR. The Registered office of the holding company is located at 7H Century Plaza, 560-562 Anna Salai, Teynampet, Chennai 600 018.

The Company has three wholly owned subsidiaries as at the year end. They are:

- Allsectech Inc., USA ('Allsectech') – A wholly owned subsidiary of the Company incorporated on 14 September 2000 in the state of Delaware, USA. This subsidiary is engaged primarily in the business of providing anti-money laundering review services and others.
- Retreat Capital Management Inc., USA ('Retreat') – The Company had acquired 66% of the outstanding equity capital of Retreat during 2011. In the previous years, the Company had acquired additional equity in Retreat, thereby increasing its holdings to 100% as at 31 March 2015. Retreat is engaged in the business of providing anti-money laundering review services and others.
- Allsectech Manila Inc ('ATM') – A wholly owned subsidiary of the company engaged in the business of IT enabled services including web development, web design, search engine optimization, strategic Teleservices, customer care and quality management. Allsec had acquired controlling interest in ATM on 14 February 2008. Allsectech, ATM, and Retreat shall hereinafter, be collectively referred to as "the Subsidiaries". Allsec, along with Subsidiaries, shall hereinafter, be collectively referred to as "the Group".

## 2 Summary of significant accounting policies

### 2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act. The Group has adopted all the Indian Accounting standards and the adoption was carried out in accordance with Ind AS 101 – First-time adoption of Indian Accounting Standards. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets that have been measured at fair value. These financial statements are presented in lakhs of Indian Rupees, except per share data and as otherwise stated. Figures for the previous years have been reclassified/rearranged wherever considered necessary to conform to the figures presented in the current year.

### 2.2 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. In accordance with Ind AS 101, the Group presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS consolidated financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

### 2.3 Basis of consolidation

The Group consolidates the financial statements of Allsec and all of its subsidiaries (as listed above in note 1) as of March 31, 2018. All subsidiaries have a reporting date of 31 March.



Subsidiaries are all entities over which Allsec exercises control if and only if it has the following:

- (a) power over the entity
- (b) exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the ability to use its power over the entity to affect the amount of its returns.

Allsec reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of the financial statements of subsidiaries begins on the date control is established.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the holding company and the Non-controlling interests, if any, based on their respective ownership interests.

## 2.4 Foreign currency translation

### Functional and presentation currency

The consolidated financial statements are presented in currency INR, which is also the functional currency of the holding company.

### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the INR are translated into INR upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into INR at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into INR at the closing rate. Income and expenses have been translated into INR at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

## 2.5 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

### a. Significant management judgement

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised.

**b. Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Impairment of non-financial assets and goodwill**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

**Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**2.6 Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable by the Group for services provided, excluding volume discounts and other applicable taxes and are recognized upon the performance of service or transfer of risk to the customer. Revenue is recognized when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities has been met. These activity-specific recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

**Income from services**

Income from services is derived from both time based and unit priced contracts. Revenue is recognised as the related services are performed in accordance with the specific terms of the contract with the customer.

**Unbilled revenue**

Unbilled revenue represents amount recognised based on services performed in advance of billing in accordance with contractual terms.

**Dividend and interest income**

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method taking in to account the amount outstanding and the rate applicable.

**2.7 Property, plant and equipment**

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. They are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Property, plant and equipment as at April 01, 2016 are stated at deemed cost. Deemed cost for these assets is the total of gross block value minus accumulated depreciation for such gross block as at April 01, 2016.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the consolidated statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The management, basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets. The estimated useful lives of assets are as follows:

Asset Description	Useful lives followed by Company (Years)	Useful lives prescribed under Schedule II to the Companies Act, 2013
Plant and machinery – Computers and servers	3 - 10	3
Plant and machinery – Call Centre Equipments	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor cycle	10	10
Vehicles – Motor cars	4 - 8	8

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period (3 – 4 years), whichever is less.

The property, plant and equipment of Allsectech, comprising Nil (previous year: 0.14%) of group assets, are depreciated using straight line method over its estimated useful life of 3 years for computers and accessories and 5 years for networking equipment and furniture and fixtures. The assets of ATM and Retreat, comprising of 18% of group assets (previous year: 25.40%) are depreciated using the straight line method over its estimated useful life as follows:

Asset Description	Useful lives followed by Company (Years)
Computers and accessories	3
Furniture and fixtures	5
Vehicles	5
Leasehold improvements*	5
Office equipment	5

\* Leasehold improvements are depreciated over the primary term of the lease.

No adjustments have been recognised for the difference arising on account of differing estimates of useful life for similar group of assets in the consolidated entities, since the Group believes that such differing estimates are appropriate having regard to the pattern of usage of such assets in each of the entities.

### 2.8 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

### 2.9 Other intangible assets

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



Intangible assets as at April 01, 2016 are stated at deemed cost. Deemed cost for these assets is the total of gross block value minus accumulated depreciation for such gross block as at April 01, 2016.

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software of 4 years, or over the license period of the software, whichever is shorter.

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

## **2.10 Impairment testing of goodwill, other intangible assets and property, plant and equipment**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

## **2.11 Leases**

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

All leases other than finance lease are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

## **2.12 Financial instruments**

### **Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and, except for trade receivables which do not contain a significant financing component, these are measured initially at:

- (a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);
- (b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when the underlying obligation specified in the contract is discharged, cancelled or expires.

**Classification and subsequent measurement of financial assets**

In case of all financial assets except for those at FVTPL, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments at amortised cost
- Financial instruments at fair value through other comprehensive income (FVOCI)
- Financial instruments, derivatives and equity instruments at FVTPL
- Equity instruments measured at FVOCI

**Financial instruments at amortised cost**

A 'financial instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Financial instruments at fair value through other comprehensive income (FVOCI)**

A 'financial instrument' is measured at FVOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Financial instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI financial instrument is reported as interest income using the EIR method.

**Financial instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any financial instrument as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

**Equity investments**

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value, except for Ind AS 27 related. Equity instruments which are held for trading and contingent consideration has been recognised by an acquirer in a business combination to which Ind AS 103 applies, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI with subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.





If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

#### **Classification and subsequent measurement of financial liabilities**

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Derivative financial instruments and hedge accounting**

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the consolidated statement of financial position.

#### **Forward contracts**

The group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to probable forecast transactions. Such forward contracts are initially recognized at fair value on the date on which the contract is entered into and subsequently re-measured at fair value. These forward contracts are stated at fair value at each reporting date and these changes in fair value of these forward contract is recognized in statement of profit or loss. At each reporting date the net balance after fair valuation is shown as part as of other financial asset or liability

### **2.13 Post-employment benefits and short-term employee benefits**

#### **Provident fund**

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

#### **Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lumpsum 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 with the Group. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

Service cost on the Gratuity plan is included in employee benefits expense. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

#### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.



**2.14 Earnings per equity share**

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**2.15 Taxation**

Tax expense recognized in the consolidated statement of profit and loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that are relevant for the assessment year. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the consolidated statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

At the end of each reporting period, the Group reassesses unrecognised deferred tax assets. The entity recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**2.16 Contingent liabilities and provisions**

Provisions for warranties, legal disputes, or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Group does not recognize contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.



### **2.17 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **2.18 Segment Reporting**

Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements.

Refer note 31 for segment accounting policies and related disclosures.

### **2.19 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

#### **Amendment to Ind AS 7: Statement of Cash Flows**

Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

## **3 Transfer pricing**

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Holding Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended March 31, 2018 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Group's results.

## **4 Recent accounting pronouncements**

### **Ind AS 21 - The effects of changes in foreign exchange rates**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

### **Ind AS 115 - Revenue from Contract with Customers**

On March 28, 2018, the MCA notified the IND AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services

The effective date of adoption of IND AS 115 is financial period beginning on or after 1 April 2018. The Company is in the process of evaluating the impact in this regard and will adopt the standard on 1 April 2018, accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted.

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### 5 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Good-will	Other Intangible assets - Computer software	Total
	Computers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles*	Leasehold improvements	Total			
<b>Gross block</b>										
Deemed cost as at April 01, 2016	59	201	204	91	116	71	742	1,249	240	1,489
Additions	69	106	3	38	86	82	384	-	146	146
Disposals	-	-	(3)	-	(22)	-	(25)	-	-	-
Foreign exchange fluctuation	(6)	-	(4)	(2)	-	(4)	(16)	-	-	-
<b>Balance as at March 31, 2017</b>	<b>122</b>	<b>307</b>	<b>200</b>	<b>127</b>	<b>180</b>	<b>149</b>	<b>1,085</b>	<b>1,249</b>	<b>386</b>	<b>1,635</b>
Additions	317	80	8	79	165	29	678	-	52	52
Disposals	-	-	(10)	-	(16)	-	(26)	-	-	-
Foreign exchange fluctuation	(4)	-	-	-	-	-	(4)	-	-	-
<b>Balance as at March 31, 2018</b>	<b>435</b>	<b>387</b>	<b>198</b>	<b>206</b>	<b>329</b>	<b>178</b>	<b>1,733</b>	<b>1,249</b>	<b>438</b>	<b>1,687</b>
<b>Accumulated depreciation/ amortisation</b>										
Depreciation/amortisation expense for the year	55	101	104	33	30	105	428	-	126	126
Foreign exchange fluctuation	(2)	-	(3)	-	-	(2)	(7)	-	-	-
<b>Balance as at March 31, 2017</b>	<b>53</b>	<b>101</b>	<b>101</b>	<b>33</b>	<b>30</b>	<b>103</b>	<b>421</b>	<b>-</b>	<b>126</b>	<b>126</b>
Depreciation/amortisation expense for the year	89	86	65	31	45	33	349	-	101	101
Foreign exchange fluctuation	(1)	-	-	-	-	-	(1)	-	-	-
<b>Balance as at March 31, 2018</b>	<b>141</b>	<b>187</b>	<b>166</b>	<b>64</b>	<b>75</b>	<b>136</b>	<b>769</b>	<b>-</b>	<b>227</b>	<b>227</b>
<b>Net block</b>										
Balance as at April 01, 2016	59	201	204	91	116	71	742	1,249	240	1,489
Balance as at March 31, 2017	69	206	99	94	150	46	664	1,249	260	1,509
Balance as at March 31, 2018	294	200	32	142	254	42	964	1,249	211	1,460

\* Includes vehicles taken on finance lease: Gross block INR 161 (March 31, 2017: INR 115); Depreciation charge for the year INR 27 (March 31, 2017: INR 21); Accumulated depreciation INR 36 (March 31, 2017: INR 14); Net book value INR 124 (March 31, 2017: INR 101). Deemed cost of the assets taken on finance lease as at April 01, 2016 was INR 104.

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>6 Investments</b>			
<b>A Non-current (Unquoted)</b>			
<b>Investments carried at fair value through profit or loss (FVTPL)</b>			
<b>Investments in equity instruments of other companies (fully paid-up)</b>			
Tulip Renewable Powertech Private Limited	19	6	-
- 1,94,775 (March 31, 2017 - 58,500 and April 01, 2016 - "Nil") Equity shares of INR 10 each, fully paid up			
	<u>19</u>	<u>6</u>	<u>-</u>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	19	6	-
Aggregate amount of impairment in the value of investments	-	-	-
<b>B. Current (Unquoted)</b>			
<b>Investments carried at fair value through profit and loss</b>			
Investment in mutual funds	7,297	6,133	1,918
<b>Total current investments</b>	<u>7,297</u>	<u>6,133</u>	<u>1,918</u>
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	7,297	6,133	1,918
Aggregate amount of impairment in the value of investments	-	-	-

### Details of investment in mutual funds

Name of Mutual fund	As at March 31, 2018	
	No of units	Amount
Baroda Pioneer Liquid Fund - Plan B Growth	10,044	201
Birla Sun Life Savings Fund-Growth-Regular Plan	4,79,198	1,638
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	18,71,317	450
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	52,27,781	1,581
HDFC Short Term Plan - Regular Plan - Growth	3,35,073	115
ICICI Prudential Flexible Income - Growth	4,32,645	1,442
ICICI Prudential Short Term - Growth Option	4,96,563	180
Kotak Floater Short Term Growth - (Regular Plan)	29,234	832
Kotak Flexi Debt Regular Plan Growth	5,73,522	128
Reliance Short Term Fund - Growth Plan Growth Option	9,52,847	311
Reliance Money Manager Fund - Growth Plan Growth Option	17,478	419
		<u>7,297</u>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



**ALLSEC TECHNOLOGIES LIMITED**

Name of Mutual fund	As at March 31, 2017	
	No of units	Amount
Baroda Pioneer Credit Opportunities Fund - Plan B Growth	17,22,316	222
Birla Sun Life Savings Fund - Growth - Regular Plan	3,94,256	1,256
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	52,15,359	1,165
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	47,18,563	1,334
HDFC Short Term Plan - Regular Plan - Growth	3,35,073	110
Kotak Floater Short Term Growth - (Regular Plan)	22,166	590
ICICI Prudential Flexible Income - Growth	4,32,670	1,347
Tata Dynamic Bond Fund Regular Plan - Growth	4,28,837	109
		<b>6,133</b>

Name of Mutual fund	As at April 01, 2016	
	No of units	Amount
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	5,994	104
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	4,294	75
Birla Sun Life Floating Rate Fund - Long Term - Growth - Regular Plan	57,110	104
Canara Robeco Savings Plus Fund - Regular Growth	6,56,283	154
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	7,73,389	157
Franklin India Treasury Management Account - Super Institutional Plan - Growth	2,234	50
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	5,62,920	147
Kotak Low Duration Fund Standard Weekly Dividend (Regular Plan)	10,113	103
Kotak Treasury Advantage Fund - Growth (Regular Plan)	4,19,069	101
DHFL Pramerica Insta Cash Plus Fund - Growth	26,862	53
Taurus Liquid Fund - Regular Plan - Super Insti Growth	3,292	54
Taurus Ultra Short Term Bond Fund - Regular Plan - Super Insti Growth	5,547	101
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Growth	7,577	180
Lic Nomura MF Liquid Fund - Growth Plan	4,664	128
HSBC Cash Fund - Growth	3,361	51
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	1,370	51
Reliance Fixed Horizon Fund - XXX - Series 9 - Growth Plan	10,05,998	102
Religare Invesco Credit Opportunities Fund - Growth	5,872	102
Religare Invesco Medium Term Bond Fund - Direct Plan Growth	6,472	101
		<b>1,918</b>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>7 Other financial assets</b>			
<b>Non-current</b>			
Security deposits	493	564	535
	<u>493</u>	<u>564</u>	<u>535</u>
<b>Current</b>			
Security deposits	-	1	1
Foreign exchange forward contracts	-	41	21
Unbilled revenue	527	562	347
	<u>527</u>	<u>604</u>	<u>369</u>
<b>Total other financial assets</b>	<u>1,020</u>	<u>1,168</u>	<u>904</u>
<b>8 Deferred tax assets</b>			
The balance comprises temporary differences attributable to:-			
- Depreciation/ amortization as per financials and depreciation as per tax	726	156	-
- Adjustments on account of provision for employee benefits	161	61	-
- MAT credit entitlement	746	466	-
	<u>1,633</u>	<u>683</u>	<u>-</u>

**Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended March 31, 2018:**

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
- Depreciation/ amortization as per financials and depreciation as per tax	-	298
- Tax benefit from previously unrecognized tax loss	-	272
- Adjustments on account of provision for employee benefits	-	100
- MAT credit entitlement	-	280
<b>Total</b>	<b>-</b>	<b>950</b>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended March 31, 2017:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
- Depreciation/ amortization as per financials and depreciation as per tax	-	156
- Adjustments on account of provision for employee benefits	-	61
- MAT credit entitlement	-	466
<b>Total</b>	<b>-</b>	<b>683</b>

In assessing the recoverability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>9 Other assets</b>			
<b>Non current</b>			
Prepaid Expenses	6	8	6
	<u>6</u>	<u>8</u>	<u>6</u>
<b>Current</b>			
Balances with government authorities	-	14	19
Prepaid expenses	179	140	191
Others	7	11	27
	<u>186</u>	<u>165</u>	<u>237</u>
<b>Total other assets</b>	<u>192</u>	<u>173</u>	<u>243</u>
<b>10 Trade receivables</b>			
Unsecured, considered good	4,105	3,651	5,641
Doubtful	13	-	31
Less : Allowances for bad and doubtful debts	(13)	-	(31)
	<u>4,105</u>	<u>3,651</u>	<u>5,641</u>
<b>11 Cash and cash equivalents</b>			
Cash on hand	3	2	1
Balance with banks in current accounts	6,617	2,868	1,223
	<u>6,620</u>	<u>2,870</u>	<u>1,224</u>
<b>12 Bank balances other than cash and cash equivalents</b>			
Balances with bank held as margin money	33	33	294
	<u>33</u>	<u>33</u>	<u>294</u>

Margin money deposits are subject to security against guarantee. This is not again disclosed as a contingent liability.



## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	Amount	Number	Amount	Number	Amount
<b>13 Equity share capital</b>						
Authorised						
Equity shares of INR 10/- each	2,00,00,000	2,000	2,00,00,000	2,000	2,00,00,000	2,000
Convertible preference shares of INR 100/- each	13,50,000	1,350	13,50,000	1,350	13,50,000	1,350
Issued, subscribed and fully paid-up						
Equity shares of INR 10/- each fully paid up	1,52,38,326	1,524	1,52,38,326	1,524	1,52,38,326	1,524
	<b>1,52,38,326</b>	<b>1,524</b>	<b>1,52,38,326</b>	<b>1,524</b>	<b>1,52,38,326</b>	<b>1,524</b>

a) There is no change in issued and subscribed share capital during the current year and as well as in the previous year.

b) Shareholders holding more than 5% of the aggregate shares in the Company

Equity shares of INR 10/- each fully paid

	Number	% holding	Number	% holding	Number	% holding
A. Saravanan	31,12,119	20%	31,12,119	20%	31,12,119	20%
R. Jagadish	30,36,952	20%	30,36,952	20%	30,36,952	20%
First Carlyle Ventures Mauritius	47,02,838	31%	47,02,838	31%	47,02,838	31%

### c) Rights, preferences and restrictions attached to equity shares

The Company has issued only one class of equity shares having a face value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding March 31, 2018.

e) Also, refer note 37.

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017
<b>14 Other equity</b>		
<b>a) Securities premium reserve</b>		
Balance at the beginning of the year	12,019	12,019
Add : Additions made during the year	-	-
<b>Balance at the end of the year</b>	<b>12,019</b>	<b>12,019</b>
Securities premium reserve comprises of the amount of share issue price received over and above the face value of INR 10 each.		
<b>b) Capital reserve</b>		
Balance at the beginning of the year	251	251
Add : Additions made during the year	-	-
<b>Balance at the end of the year</b>	<b>251</b>	<b>251</b>
Capital reserve comprises initial application money on warrants received, forfeited subsequently.		
<b>c) General reserve</b>		
Balance at the beginning of the year	1,413	1,413
Add : Additions made during the year	-	-
<b>Balance at the end of the year</b>	<b>1,413</b>	<b>1,413</b>
General reserve represents an appropriation of profits made by the Company.		
<b>d) Retained earnings</b>		
Balance at the beginning of the year	158	(6,014)
Add : Transfer from statement of profit and loss	5,953	6,172
<b>Balance at the end of the year</b>	<b>6,111</b>	<b>158</b>
<b>e) Other comprehensive income</b>		
Balance at the beginning of the year	(118)	(39)
Add : Transfer from other comprehensive income	-	(79)
<b>Balance at the end of the year</b>	<b>(118)</b>	<b>(118)</b>
<b>f) Foreign currency translation reserve</b>		
Balance at the beginning of the year	(287)	-
Add : Transfer from other comprehensive income	(160)	(287)
<b>Balance at the end of the year</b>	<b>(447)</b>	<b>(287)</b>
<b>Total other equity</b>	<b>19,229</b>	<b>13,436</b>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>15 Borrowings</b>			
<b>Non-current</b>			
From banks			
Finance lease obligation (Secured) #	65	25	35
	<u>65</u>	<u>25</u>	<u>35</u>
# Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8.25%-10.75% per annum (March 31, 2017: 9.35% -14.50 %) with repayment term ranging from 3 to 5 years			
<b>Current</b>			
From banks			
Demand loans	-	-	825
	<u>-</u>	<u>-</u>	<u>825</u>
<b>16 Other financial liabilities</b>			
<b>Non-Current</b>			
Retentions	6	-	-
	<u>6</u>	<u>-</u>	<u>-</u>
<b>Current</b>			
Current maturities of finance lease obligations	33	32	31
Employee related payables	353	851	905
Claims (Also, refer note 30)	357	-	-
	<u>743</u>	<u>883</u>	<u>936</u>
<b>Total other financial liabilities</b>	<u>749</u>	<u>883</u>	<u>936</u>
<b>17 Provisions</b>			
<b>Non-current</b>			
Gratuity	305	93	53
	<u>305</u>	<u>93</u>	<u>53</u>
<b>Current</b>			
Gratuity	45	230	212
Compensated absences*	117	121	98
	<u>162</u>	<u>351</u>	<u>310</u>
<b>Total Provisions</b>	<u>467</u>	<u>444</u>	<u>363</u>

\* The amount of compensated absences provision is presented as current, since the Company does not have an unconditional right to defer settlement for this obligations.

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### a) Provision for employee benefits

#### i) Gratuity

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment subject to a maximum limit of INR 20 lakhs (INR 10 lakhs until March 31, 2017). The scheme is funded with an insurance company in the form of a qualifying insurance policy. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Changes in present value of defined benefit obligation</b>		
<b>Projected benefit obligation at the beginning of the year</b>	<b>366</b>	<b>277</b>
Interest cost	25	22
Current service cost	45	32
Past service cost	46	-
Benefits paid	(29)	(45)
Actuarial loss	7	80
<b>Projected benefit obligation at the end of the year</b>	<b>460</b>	<b>366</b>
<b>Changes in fair value of plan assets</b>		
<b>Opening fair value of plan assets</b>	<b>43</b>	<b>12</b>
Expected return	5	1
Contributions by the Company	84	74
Benefits paid	(29)	(45)
Actuarial gains	7	1
<b>Closing fair value of plan assets</b>	<b>110</b>	<b>43</b>
<b>Net defined benefit obligation (deficit)</b>	<b>350</b>	<b>323</b>
<b>Amount recognised in profit or loss</b>		
Current service cost	45	32
Past service cost	46	-
Interest cost	25	22
Expected return on planned assets	(5)	(1)
<b>Total amount recognised in profit or loss</b>	<b>111</b>	<b>53</b>
<b>Amount recognised in other comprehensive income</b>		
Remeasurement due to changes in actuarial assumptions	-	79
<b>Total amount recognised in other comprehensive income</b>	<b>-</b>	<b>79</b>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Significant actuarial assumptions</b>			
a) Discount rate and expected return on plan assets	7.21%	7.09%	7.79%
b) Long-term rate of compensation increase	5%	5%	5%
c) Attrition rate			
- employees with service upto 5 years as at valuation date	35%	35%	35%
- employees with service more than 5 years as at valuation date	2%	2%	2%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

### Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>March 31, 2018</b>						
> Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
> Impact on defined benefit obligation	7	(10)	(40)	44	43	(40)
<b>March 31, 2017</b>						
> Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
> Impact on defined benefit obligation	7	(8)	(35)	41	42	(36)
<b>April 01, 2016</b>						
> Sensitivity Level	1%	(1%)	1%	(1%)	1%	(1%)
> Impact on defined benefit obligation	7	(8)	(25)	30	30	(26)

### Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2019 are INR 90 lakhs. The weighted average duration of the defined benefit obligation is 10.2 years (March 31, 2017:12 years and April 01, 2016: 12 years).

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

The expected maturity analysis of undiscounted gratuity benefit obligation for the 10 years after balance sheet date is as follow:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	5-10 years	Total
<b>March 31, 2018</b>					
Defined benefit obligation	18	65	125	138	346
<b>March 31, 2017</b>					
Defined benefit obligation	29	23	64	110	226
<b>April 01, 2016</b>					
Defined benefit obligation	17	35	32	112	196

### Risk exposure

The defined benefit plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

#### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Indian rupees. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

#### Investment risk

The company maintains plan assets in the form of fund with Life Insurance Corporation of India. The fair value of the plan assets is exposed to the market risks (in India).

#### Longevity risk

The Company is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members, will increase the defined benefit liability.

#### Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>18 Trade payables</b>			
Trade payables to micro and small enterprises (Also refer Note a)	-	-	-
Trade payables	799	665	1,864
	<u>799</u>	<u>665</u>	<u>1,864</u>

#### a) Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There is no overdue amount payable to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any micro and small Enterprises during the current and previous year. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>19 Other current liabilities</b>			
Advances from customers	56	241	152
Statutory dues	408	137	99
	<u>464</u>	<u>378</u>	<u>251</u>
	Year ended March 31, 2018	Year ended March 31, 2017	
<b>20 Revenue from operations</b>			
Income from services	32,496	31,812	
	<u>32,496</u>	<u>31,812</u>	
<b>21 Other income</b>			
Dividend income on current investments	1	3	
Interest Income			
- on fixed deposits	2	10	
- income tax refund	-	129	
- others	9	-	
Net gain on current investments	446	265	
Rental Income	102	143	
Provisions no longer required, reversed	-	40	
Net gain on foreign currency transaction and translation	169	134	
Miscellaneous income	9	5	
	<u>738</u>	<u>729</u>	
<b>22 Employee benefits expense</b>			
Salaries, wages and bonus	10,300	8,358	
Contribution to provident fund and other funds	654	592	
Gratuity expense	111	53	
Staff welfare expenses	666	599	
	<u>11,731</u>	<u>9,602</u>	
<b>23 Finance costs</b>			
Interest expense	7	68	
Other borrowing costs	26	51	
	<u>33</u>	<u>119</u>	



## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	Year ended March 31, 2018	Year ended March 31, 2017
<b>24 Other expenses</b>		
Power and fuel	574	564
Repairs to:		
Machinery	327	307
Others	419	531
Security charges	213	175
Rent	1,564	1,408
Rates and taxes	326	100
Insurance	38	48
Travelling and conveyance	433	404
Connectivity cost	321	291
Communication expenses	149	148
Legal, professional and consultancy charges (Also, refer Note 25)	9,977	11,530
Selling commission	129	88
Loss on sale of fixed assets (net)	24	13
Bad debts written off (net)	-	195
Provision for doubtful debts	13	-
Corporate social responsibility expenditure	6	5
Miscellaneous expenses	148	131
	<b>14,661</b>	<b>15,938</b>
<b>25 Details of payment to auditors (included as part of legal and professional charges)*</b>		
<b>As auditor:</b>		
Audit fee	30	28
<b>In other capacities:</b>		
Certification fees	1	-
Other services	7	-
Re-imbursement of expenses	1	1
	<b>39</b>	<b>29</b>

\*excluding taxes

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

### 26 Tax expenses

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 34.61% (2016-17: 34.61%) and the reported tax expense in profit or loss are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	6,359	6,328
Domestic tax rate	34.61%	34.61%
Expected tax expense	2,201	2,190
Tax expense under normal provisions not created*	-	(705)
Deferred tax assets created	-	(217)
Deferred tax assets relating to previous years created	(1,218)	(831)
Adjustment for non-deductible expenses	2	-
Tax on income taxable at other than domestic tax rate	(66)	-
Difference in overseas tax rates	(516)	(280)
Others	3	(1)
<b>Actual tax expense</b>	<b>406</b>	<b>156</b>
Tax expense comprises:		
Current tax expense	1,356	839
Deferred tax expense:		
Origination and reversal of temporary differences	(950)	(683)
<b>Tax expense</b>	<b>406</b>	<b>156</b>
Deferred tax expense (income), recognised directly in other comprehensive income		

\* During the previous year, the Company paid tax under MAT and availed the credit entitlement.

#### Details of temporary differences and unused tax credits for which no deferred asset is recognised

	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax assets not recognised on:-</b>		
Unused tax losses	-	227
MAT credit entitlement	-	254
<b>Timing differences on account of:-</b>		
Depreciation	-	645
Employee benefits	-	92
	<b>-</b>	<b>1,218</b>

Unused tax losses (unabsorbed depreciation) can be carried forward indefinitely and have no expiry date. MAT credit can be carried forward for 10 assessment years immediately succeeding the assessment year in which such credit is allowed.

The subsidiaries of the Company have undistributed earnings of INR 2,796 lakhs (March 31, 2017: INR 671 lakhs) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognized as the parent entity has ability to control the timing of distributions from this subsidiary and is not expected to distribute these profits in the foreseeable future.

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	As at March 31, 2018	As at March 31, 2017
<b>Tax related contingent liabilities</b>		
Claims against the Company not acknowledged as debts	-	44

## 27 Leases

### Finance leases as lessee

Vehicles of Allsec include cars obtained on finance lease. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Finance lease liabilities are secured by the related assets held under finance leases. Future minimum finance lease payments at 31 March were as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
<b>March 31, 2018</b>				
Lease payments	40	72	-	112
Finance charges	(7)	(7)	-	(14)
<b>Net present values</b>	<b>33</b>	<b>65</b>	<b>-</b>	<b>98</b>
<b>March 31, 2017</b>				
Lease payments	36	28	-	64
Finance charges	(4)	(3)	-	(7)
<b>Net present values</b>	<b>32</b>	<b>25</b>	<b>-</b>	<b>57</b>
<b>April 01, 2016</b>				
Lease payments	36	38	-	74
Finance charges	(5)	(3)	-	(8)
<b>Net present values</b>	<b>31</b>	<b>35</b>	<b>-</b>	<b>66</b>

### Operating leases as lessee

The Company has operating leases for Office premises in India, United States and Philippines. These lease arrangements range for a period between 12 months to 60 months and are cancellable leases. These leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

	Year ended March 31, 2018	Year ended March 31, 2017
Lease expense during the year, representing the minimum lease payments	1,564	1,408

### Operating leases as lessor

ATM had leased out a space of office premises in Manila, Philippines. The lease term ended on June 30, 2017.

	Year ended March 31, 2018	Year ended March 31, 2017
Income on account of lease rentals recognized in the Statement of Profit and Loss	102	143

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### 28 Related party transactions

#### A. Names of related parties and related party relationships

Relationship	Name of the related party
<b>Key management personnel</b>	
Whole-time director	Mr. R. Jagadish
Non- whole-time director	Mr. A. Saravanan
Non- whole-time director	Mr. T. Anantha Narayanan
Non- whole-time director	Mr. C. Jayaram
Non- whole-time director	Mr. D. Padmanabhan
Non- whole-time director	Ms. Lalitha Sankaran
Chief financial officer	Mr. P. Raghunath
<b>Entity in which relative of KMP has control</b>	Experiencing Consulting Solutions LLP

#### B. Transactions with related parties

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Remuneration*</b>		
Whole-time director	128	104
Chief financial officer	42	37
Non-whole-time director	193	196
<b>Other benefits</b>		
Non-whole-time directors	9	7
<b>Digital &amp; marketing support service</b>		
Experiencing Consulting Solutions LLP	28	-

#### C. Balances with related parties

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Remuneration payable</b>		
Whole-time director	36	20

\* Remuneration pertains to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

### 29 Earnings per equity share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax considered as numerator for calculating basic and diluted earnings per share	5,953	6,172
Total comprehensive income considered as numerator for calculating basic and diluted earnings per share	5,793	5,806
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	1,52,38,326	1,52,38,326

**30 Contingent liabilities and commitments****Claims against the company not acknowledged as debt**

- a A class action law suit was initiated against Retreat during the current year wherein a certain class of contractors of Retreat had claimed to be classified as regular employees thereby claiming excess overtime benefits. Certain contractors belonging to the class have opted to claim for the excess overtime benefits. The Group is of the opinion that the classification of contractors done by Retreat is appropriate and has merits in its stand. However, to avoid additional legal charges, Retreat is in the process of executing a settlement agreement with the legal representatives of contractors who have opted to claim. The Group has determined and recognised provision for an amount of \$ 550 thousand (INR 354 lakhs) as at March 31, 2018 in this regard. It is not practicable to determine the probability and the amount of future claims, if any, for such contractors who have not opted to claim in the aforementioned class action suit and thereby no provision has been recognised.
- b Retreat has also received a demand from Texas Workforce Commission for an amount of \$ 430 thousand (INR 277 lakhs) on account of wrong classification of contractors as workers and not regular employees. Retreat has also not recognised provision for the portion of interest of \$ 100 thousand (INR 64 lakhs) out of the aforementioned amount. The Group strongly believes that there is merit in the stand of the Company that these contractors should not be classified as employees and that it is not probable that the liability will arise.
- c The Company received a demand from the Tamil Nadu Electricity Board for an amount of INR 109 lakhs in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

<b>Commitments</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	110	75



### 31 Segment Reporting

Ind AS 108 establishes the standards for the way that business enterprises report information about operating segments, which is based on the “management approach”. Under “management approach”, the ‘Chief Operating Decision Maker’ (CODM) considers and regularly reviews the segment operating results to assess the performance of the business segments and group as a whole. The Chief Executive Officer (CEO) is considered to be the ‘Chief Operating Decision Maker’ (CODM) as defined in IND AS 108. The Operating Segment is the level at which discrete financial information is available. The CODM allocates resources and assesses performance at this level. The group has Customer Life Cycle Management (CLM), Anti Money Laundering (AML), Human Resource Outsourcing (HRO) as its business segments for the financial year ended March 31, 2018.

The above business segments have been identified considering :

- a. the nature of products and services,
- b. the differing risks and returns,
- c. the internal organization and management structure, and
- d. the internal financial reporting systems.

These business segments were considered to be primary and solely reportable segments of Group for the year ended March 31, 2018.

#### **Business Segments**

Customer Life Cycle Management (CLM) comprises Inbound and Outbound Tele calling services and Call Quality Monitoring services rendered to its clients. Human Resource Outsourcing (HRO) comprises payroll processing and statutory compliance support services to its client. Anti- Money Laundering (AML) services provided by the Group pertains to vouching, screening and other specific requirements from the regulatory authorities to comply with anti-money laundering regulations by its customers.

#### **Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

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### Segment information

Particulars	CLM	HRO	AML	Unallocable	Total
<b>Revenue from operations*</b>					
Year ended March 31, 2018	13,042	5,010	14,444	-	32,496
Year ended March 31, 2017	11,120	4,260	16,432	-	31,812
<b>Operating and other expenses/(income), net</b>					
Year ended March 31, 2018	11,355	2,984	11,770	(444)	25,665
Year ended March 31, 2017	10,187	2,422	12,403	(62)	24,950
<b>Depreciation and amortization expense</b>					
Year ended March 31, 2018	259	31	80	80	450
Year ended March 31, 2017	261	36	181	76	554
<b>Finance costs</b>					
Year ended March 31, 2018	-	-	-	33	33
Year ended March 31, 2017	-	-	-	119	119
<b>Interest income</b>					
Year ended March 31, 2018	-	-	-	11	11
Year ended March 31, 2017	-	-	-	139	139
<b>Profit before tax</b>					
Year ended March 31, 2018	1,428	1,995	2,594	342	6,359
Year ended March 31, 2017	672	1,802	3,848	6	6,328
<b>Tax expense</b>					
Year ended March 31, 2018	-	-	-	406	406
Year ended March 31, 2017	-	-	-	156	156
<b>Profit after tax</b>					
Year ended March 31, 2018					5,953
Year ended March 31, 2017					6,172
* Revenue from other than external customers: Nil (2016-17: Nil)					
<b>Other information</b>					
<b>Segment Assets</b>					
As at March 31, 2018	3,266	1,057	1,229	18,601	24,153
As at March 31, 2017	2,878	965	1,568	12,228	17,639
<b>Segment Liabilities</b>					
As at March 31, 2018	732	211	233	2,224	3,400
As at March 31, 2017	650	177	562	1,290	2,679
<b>Non cash expenses, other than depreciation and amortization</b>					
Year ended March 31, 2018	78	31	-	27	136
Year ended March 31, 2017	238	17	-	16	271

During the year, INR 14,444 lakhs or 44% (2016-17: INR 16,432 lakhs or 52%) of the Group's revenues depended on a single customer in the AML segment.

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### 32 Financial assets and liabilities

#### Categories of financial assets and financial liabilities

Note 2.12 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Financial assets at FVTPL	Financial assets at amortised cost	Total	Financial assets at FVTPL	Financial assets at amortised cost	Total	Financial assets at FVTPL	Financial assets at amortised cost	Total
<b>Financial assets</b>									
Investments	7,316	-	7,316	6,139	-	6,139	1,918	-	1,918
Trade receivables	-	4,105	4,105	-	3,651	3,651	-	5,641	5,641
Cash and cash equivalents	-	6,620	6,620	-	2,870	2,870	-	1,224	1,224
Other bank balances	-	33	33	-	33	33	-	294	294
Other financial assets	-	1,020	1,020	-	1,168	1,168	-	904	904
	<b>7,316</b>	<b>11,778</b>	<b>19,094</b>	<b>6,139</b>	<b>7,722</b>	<b>13,861</b>	<b>1,918</b>	<b>8,063</b>	<b>9,981</b>

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Other liabilities at amortised cost	Other liabilities at amortised cost	Other liabilities at amortised cost
<b>Financial liabilities</b>			
Borrowings	98	57	891
Trade payables	799	665	1,864
Other financial liabilities	749	883	936
	<b>1,646</b>	<b>1,605</b>	<b>3,691</b>



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### 33 Additional information required as per Schedule-III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated assets	Amount	As a % of consolidated assets	Amount	As a % of consolidated assets	Amount	As a % of consolidated assets	Amount
<b>As at March 31, 2018</b>								
Holding company	76%	17,478	50%	2,899	0%	-	50%	2,899
<b>Foreign subsidiaries:</b>								
Allsectech Inc	14%	3,215	27%	1,597	0%	-	27%	1,597
Allsectech Manila Inc	7%	1,685	25%	1,474	0%	-	25%	1,474
Retreat Capital Management Inc	3%	731	(3%)	(158)	0%	-	(3%)	(158)
<b>Total</b>	<b>100%</b>	<b>23,109</b>	<b>100%</b>	<b>5,812</b>	<b>0%</b>	<b>-</b>	<b>100%</b>	<b>5,812</b>
Inter-company eliminations and other adjustments		(2,356)		141		(160)		(19)
<b>Total for consolidated financials</b>		<b>20,753</b>		<b>5,953</b>		<b>(160)</b>		<b>5,793</b>
<b>As at March 31, 2017</b>								
Holding company	81%	14,579	38%	2,254	100%	(79)	37%	2,175
<b>Foreign subsidiaries:</b>								
Allsectech Inc	9%	1,605	22%	1,295	0%	-	22%	1,295
Allsectech Manila Inc	5%	855	12%	708	0%	-	12%	708
Retreat Capital Management Inc	5%	889	29%	1,711	0%	-	29%	1,711
<b>Total</b>	<b>100%</b>	<b>17,928</b>	<b>100%</b>	<b>5,968</b>	<b>100%</b>	<b>(79)</b>	<b>100%</b>	<b>5,889</b>
Inter-company eliminations and other adjustments		(2,968)		204		(287)		(83)
<b>Total for consolidated financials</b>		<b>14,960</b>		<b>6,172</b>		<b>(366)</b>		<b>5,806</b>



## 34 Financial instruments risk

### Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Short-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

### Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

### Foreign currency sensitivity

Most of the Group's transactions are carried out in Indian rupees (INR), US dollars (USD) and Philippine Pesos (PHP). Exposures to currency exchange rates arise from the Group companies' overseas sale of services, which are primarily denominated in US dollars (USD).

To mitigate the Allsec's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

Book value in INR of foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below:

	Short term exposure		Long-term exposure	
	USD	PHP	USD	PHP
<b>March 31, 2018</b>				
Financial assets	9,014	292	84	-
Financial liabilities	1,698	218	-	-
<b>Total exposure</b>	<b>7,316</b>	<b>74</b>	<b>84</b>	<b>-</b>
<b>March 31, 2017</b>				
Financial assets	5,450	333	84	-
Financial liabilities	1,413	358	-	-
<b>Total exposure</b>	<b>4,037</b>	<b>(25)</b>	<b>84</b>	<b>-</b>

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease /increase in the Group's profit before taxes by approximately INR 747 lakhs for the year ended March 31, 2018 (March 31, 2017: INR 410 lakhs).

### Interest rate sensitivity

Borrowings that existed as at March 31, 2018 are at fixed interest rates and hence the Group is not exposed to changes in market interest rates.

### Other price sensitivity

The Group is exposed to other price risk in respect of its investments in mutual funds.



For the mutual fund units, an average volatility of 0.83% has been observed during 2017-18 (2016-17: 0.79%). This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the net asset value (NAV) for these securities increased or decreased by that amount, the statement of profit and loss and equity would have changed by INR 61 lakhs (2016-17: INR 49 lakhs).

### Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, investments etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, 2018.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Where available at reasonable cost external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and investment in mutual funds is considered negligible, since the counterparties have high quality external credit ratings.

### Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available funds in order to determine headroom or any shortfalls. This analysis shows that available funds are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by the ability to sell/recover long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

As at March 31, 2018, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

March 31, 2018	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Finance lease obligations	20	20	72	-
Trade and other payables	1,509	-	6	-
<b>Total</b>	<b>1,529</b>	<b>20</b>	<b>78</b>	<b>-</b>

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This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

March 31, 2017	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Finance lease obligations	20	16	28	-
Trade and other payables	1,516	-	-	-
<b>Total</b>	<b>1,536</b>	<b>16</b>	<b>28</b>	<b>-</b>

In assessing and managing liquidity risks of its derivative financial instruments, the Group considers both contractual inflows and outflows. As at March 31, 2018, there were no derivative financial assets and liabilities that existed.

The contractual cash flows of the Group's derivative financial assets and liabilities in the previous reporting periods as follows:

March 31, 2017	Current	
	Within 6 months	6 to 12 months
<b>Net settled forward contracts</b>		
Cash inflow	41	-
<b>Total</b>	<b>41</b>	<b>-</b>

### 35 Fair value measurement

#### Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the balance sheet are classified into three levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at March 31, 2018, March 31, 2017 and April 01, 2016. There were no financial liabilities measured at fair value as at the reporting dates.

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>March 31, 2018</b>				
Investments in mutual fund units	7,297	-	-	7,297
Investments in equity instruments of other companies	-	-	19	19
Foreign exchange forward contracts	-	-	-	-
<b>March 31, 2017</b>				
Investments in mutual fund units	6,133	-	-	6,133
Investments in equity instruments of other companies	-	-	6	6
Foreign exchange forward contracts	-	41	-	41
<b>April 01, 2016</b>				
Investments in mutual fund units	1,918	-	-	1,918
Investments in equity instruments of other companies	-	-	-	-
Foreign exchange forward contracts	-	21	-	21

**Measurement of fair value of financial instruments**

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Company's reporting dates.

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

**Investments in mutual fund units (Level 1)**

The mutual funds are valued using the closing NAV.

**Foreign exchange forward contracts (Level 2)**

The Company's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

**Investments in equity instruments of other companies (Level 3)**

These investments are not traded in active markets, and management considers the cost of investments to approximate the fair value.

**Financial instruments measured at amortised cost for which the fair value is disclosed**

The carrying amount of all financial instruments measured at amortised cost are considered to be a reasonable approximation of the fair value.

**Fair value measurement of non-financial assets**

There are no non-financial assets that were measured at fair value on the reporting dates.

**36 Capital management policies and procedures**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

**37 Post reporting date events**

The holding company has proposed a dividend of INR 5 per share on its equity share (50% of par value of INR 10 each) for the financial year 2017-18.

**38 First-time adoption of Ind AS**

These are the Group's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act (Previous GAAP). Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017. This note explains the principal adjustments made by the Group in restating its statement of financial position as at April 01, 2016 and its previously published financial statements as at and for the year ended March 31, 2017 under previous GAAP.

**a) First time adoption exemptions applied**

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Group has applied the mandatory exceptions and certain optional exemptions, as set out below:

**Mandatory exceptions adopted by the Group****(i) Estimates**

Hindsight is not used to create or revise estimates. The estimates made by the Group under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.



### Optional exemptions availed by the Group

#### (i) Property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Group has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets).

#### (ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively, for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively, from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

#### (iii) Leases

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

#### (iv) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application that would require restatement of all business combinations prior to date of transition. However, this exemption does not extend to business combinations that occurred after the date of transition to Ind AS but within the comparative period. The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to date of transition have not been restated.

#### (v) Cumulative translation differences

The Group has deemed the cumulative translation differences for foreign operations at the date of transition to be zero. Adjustments to give effect to this are recorded against opening equity. After the date of transition, translation differences arising on translation of foreign operations are recognised in other comprehensive income and included in a separate 'translation reserve' within equity.

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ALLSEC TECHNOLOGIES LIMITED

### b) Reconciliation of equity

Reconciliation of equity as at April 01, 2016 (date of transition to Ind AS)

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		742	-	742
Goodwill		1,249	-	1,249
Other intangible assets		240	-	240
Intangible assets under development		33	-	33
Financial assets				
- Other financial assets	a	562	(27)	535
Current tax assets (net)		957	-	957
Other non-current assets		6	-	6
		<u>3,789</u>	<u>(27)</u>	<u>3,762</u>
<b>Current assets</b>				
Financial assets				
- Investments	b	1,911	7	1,918
- Trade receivables		5,641	-	5,641
- Cash and cash equivalents		1,224	-	1,224
- Bank balances other than cash and cash equivalents		294	-	294
- Other financial assets	d	342	27	369
Other current assets		237	-	237
		<u>9,649</u>	<u>34</u>	<u>9,683</u>
<b>Total assets</b>		<u>13,438</u>	<u>7</u>	<u>13,445</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Equity share capital		1,524	-	1,524
Other equity		7,623	7	7,630
<b>Total equity</b>		<u>9,147</u>	<u>7</u>	<u>9,154</u>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		35	-	35
Provisions		53	-	53
		<u>88</u>	<u>-</u>	<u>88</u>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Current liabilities</b>				
Financial Liabilities				
- Borrowings		825	-	825
- Trade payables		1,864	-	1,864
- Other financial liabilities		936	-	936
Other current liabilities		251	-	251
Provisions		310	-	310
Current tax liabilities (net)		17	-	17
		<u>4,203</u>	<u>-</u>	<u>4,203</u>
<b>Total liabilities</b>		<u>4,291</u>	<u>-</u>	<u>4,291</u>
<b>Total equity and liabilities</b>		<u>13,438</u>	<u>7</u>	<u>13,445</u>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### Reconciliation of equity as at March 31, 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		664	-	664
Capital work-in-progress		28	-	28
Goodwill		1,249	-	1,249
Other intangible assets		260	-	260
Intangible assets under development		32	-	32
Financial assets				
- Investments		6	-	6
- Other financial assets	a	629	(65)	564
Deferred tax assets		683	-	683
Current tax assets (net)		689	-	689
Other non-current assets		8	-	8
		<u>4,248</u>	<u>(65)</u>	<u>4,183</u>
<b>Current assets</b>				
Financial assets				
- Investments	b	6,115	18	6,133
- Trade receivables		3,651	-	3,651
- Cash and cash equivalents		2,870	-	2,870
- Bank balances other than cash and cash equivalents		33	-	33
- Other financial assets		604	-	604
Other current assets		165	-	165
		<u>13,438</u>	<u>18</u>	<u>13,456</u>
<b>Total assets</b>		<u>17,686</u>	<u>(47)</u>	<u>17,639</u>



## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Equity share capital		1,524	-	1,524
Other equity		13,483	(47)	13,436
<b>Total equity</b>		<u>15,007</u>	<u>(47)</u>	<u>14,960</u>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		25	-	25
Provisions		93	-	93
		<u>118</u>	<u>-</u>	<u>118</u>
<b>Current liabilities</b>				
Financial Liabilities				
- Trade payables		665	-	665
- Other financial liabilities		883	-	883
Other current liabilities		284	-	284
Provisions		351	-	351
Current tax liabilities (net)		378	-	378
		<u>2,561</u>	<u>-</u>	<u>2,561</u>
<b>Total liabilities</b>		<u>2,679</u>	<u>-</u>	<u>2,679</u>
<b>Total equity and liabilities</b>		<u>17,686</u>	<u>(47)</u>	<u>17,639</u>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### Reconciliation of profit and loss for the year ended March 31, 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations		31,812	-	31,812
Other income	a, b, c	717	12	729
<b>Total income</b>		<u>32,529</u>	<u>12</u>	<u>32,541</u>
<b>Expenses</b>				
Employee benefits expense	d	9,681	(79)	9,602
Finance costs	a	84	35	119
Depreciation and amortisation expense		554	-	554
Other expenses	c	15,909	29	15,938
<b>Total expenses</b>		<u>26,228</u>	<u>(15)</u>	<u>26,213</u>

## Consolidated Notes

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)



ALLSEC TECHNOLOGIES LIMITED

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Profit before tax</b>		<b>6,301</b>	<b>27</b>	<b>6,328</b>
<b>Tax expense</b>				
Current tax		839	-	839
Deferred tax		(683)	-	(683)
		<u>156</u>	<u>-</u>	<u>156</u>
<b>Profit for the year</b>		<b>6,145</b>	<b>27</b>	<b>6,172</b>

<b>Other comprehensive income:</b>				
<b>Items that will be reclassified to profit or loss</b>				
Exchange differences on translation of foreign operations		287	-	287
Income tax relating to above items		-	-	-
		<u>287</u>	<u>-</u>	<u>287</u>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of the defined benefit liability - loss	d	-	79	79
Income tax relating to above items		-	-	-
		<u>-</u>	<u>79</u>	<u>79</u>
<b>Total other comprehensive loss for the year, net of tax</b>		<b>287</b>	<b>79</b>	<b>366</b>
<b>Total comprehensive income for the year</b>		<b>5,858</b>	<b>(52)</b>	<b>5,806</b>

### Reconciliation of Other Equity as at April 01, 2016

Particulars	Foot note	Reserves and surplus				Other comprehensive income	Foreign currency translation reserve	Total
		General reserve	Retained earnings	Capital reserve	Securities premium reserve			
<b>Balances at April 01, 2016 (As per Indian GAAP)</b>		<b>1,413</b>	<b>(6,270)</b>	<b>251</b>	<b>12,019</b>	<b>-</b>	<b>210</b>	<b>7,623</b>
Ind AS Adjustments								
Actuarial loss transferred to other comprehensive income	d	-	39	-	-	(39)	-	-
Gain on fair valuation of mutual funds	b	-	7	-	-	-	-	7
Expense recognised on fair valuation of security deposits	a	-	(27)	-	-	-	-	(27)
Transfer to retained earnings	e	-	210	-	-	-	(210)	-
Forward contract revaluation	d	-	27	-	-	-	-	27
<b>Balances at April 01, 2016 (Ind AS)</b>		<b>1,413</b>	<b>(6,014)</b>	<b>251</b>	<b>12,019</b>	<b>(39)</b>	<b>-</b>	<b>7,630</b>

The impact of the adjustments on account of transition to Ind AS on the statement of cash flows for the year ended March 31, 2017 is not material.

### Footnotes to the reconciliations

#### a Fair valuation of lease deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at



fair value. Accordingly, the Group has recognized these security deposits at fair value and subsequently measured them at amortized cost. Difference between the fair value and transaction value of the security deposit has been recognized as deferred rent which would be amortized over a straight line basis over the period of the deposit.

**b Fair valuation of investments**

Under the previous GAAP, investments in equity (other than subsidiaries) and mutual funds were classified as long-term investments or current investments based on intended holding period or realisability and were accounted at cost less provision for diminution in value of investments (other than temporary) or at lower of cost and fair value respectively. Under Ind AS, these investments are required to be measured at fair value. The Group has designated these investments as classified at fair value through profit or loss account. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit and loss account for the year ended March 31, 2017.

**c Accounting for forward contracts**

Under previous GAAP, derivative financial instruments were accounted in accordance with AS 11, as at the Balance Sheet date. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the changes are recognised in statement of profit and loss.

**d Defined benefit obligation**

Both under previous GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

**e Foreign currency translation differences**

Cumulative translation differences for foreign operations at the date of transition has been transferred to retained earnings based on the optional exemption availed by the entity and translation differences arising on translation of foreign operations, post transition date are recognized in other comprehensive income and included in a separate 'translation reserve' within equity.

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Sumesh E S**

Partner

Membership No: 206931

Place: Chennai

Date: May 24, 2018

For and on behalf of the Board of Directors of  
**Allsec Technologies Limited**

**A Saravanan**

Director

DIN : 00033683

**P Raghunath**

Chief Financial Officer

Place: Chennai

Date: May 24, 2018

**R Jagadish**

Director

DIN : 00033589

**Gagan Preet Singh**

Company Secretary



## ALLSEC TECHNOLOGIES LIMITED

Regd. Office: 7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai 60 0018.

Corp. Office: 46B, Velachery Main Road, Velachery, Chennai - 600 042.

### Form No. MGT-11

### Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L72300TN1998PLC041033  
**Name of the Company:** ALLSEC TECHNOLOGIES LIMITED  
**Registered office:** NO. 7H, CENTURY PLAZA, 560-562, ANNA SALAI, CHENNAI - 600 018

Name of the Member(s):			
Registered address:			
E-mail Id:	Folio No/ Client Id	DP ID:	

I/ We being the member of ..... holding ..... shares, hereby appoint

- Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 19<sup>th</sup> Annual General Meeting of members of the Company, to be held at 10.00 AM on Thursday, August 9, 2018 at Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai - 600 018 in respect of such resolutions as are indicated below:

Sl. No.	Resolution	No of votes Cast		
		For	Against	Abstain
1	To receive, consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Board's Report and the Auditors' Report thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Auditors' Report thereon			
2	To declare final dividend for the year ended March 31, 2018.			
3	To appoint a Director in the place of Mr. A. Saravanan (DIN: 00033683), who retires by rotation and being eligible, offers himself for re-appointment.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Shareholder

Signature of Proxy holder(s)

Re.1  
Affix Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**





## ALLSEC TECHNOLOGIES LIMITED

Regd. Office: 7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai 600 018.

Corp. Office: 46B, Velachery Main Road, Velachery, Chennai 600 042.

Mr. / Ms. \_\_\_\_\_

MEMBER ☐

PROXY ☐

(Please tick as applicable)

Note: 1. The Proxy form should be filled in full and the proxy form signed across revenue stamp should reach the share Transfer Agents M/s. Karvy Computershare Pvt. Ltd. or the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.

2. Only Shareholders of the Company or their proxies will be allowed to attend the Meeting ON PRODUCTION OF THIS ATTENDANCE SLIP duly completed and signed.

3. Shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

### ATTENDANCE SLIP

Date &  
Time

Thursday  
August 9, 2018  
10.00 AM

Venue

Narada Gana Sabha,  
Mini Hall, 314, TTK Salai,  
Alwarpet, Chennai 600018

Folio No.

No. of Shares

#### DEMAT PARTICULARS DP ID No.

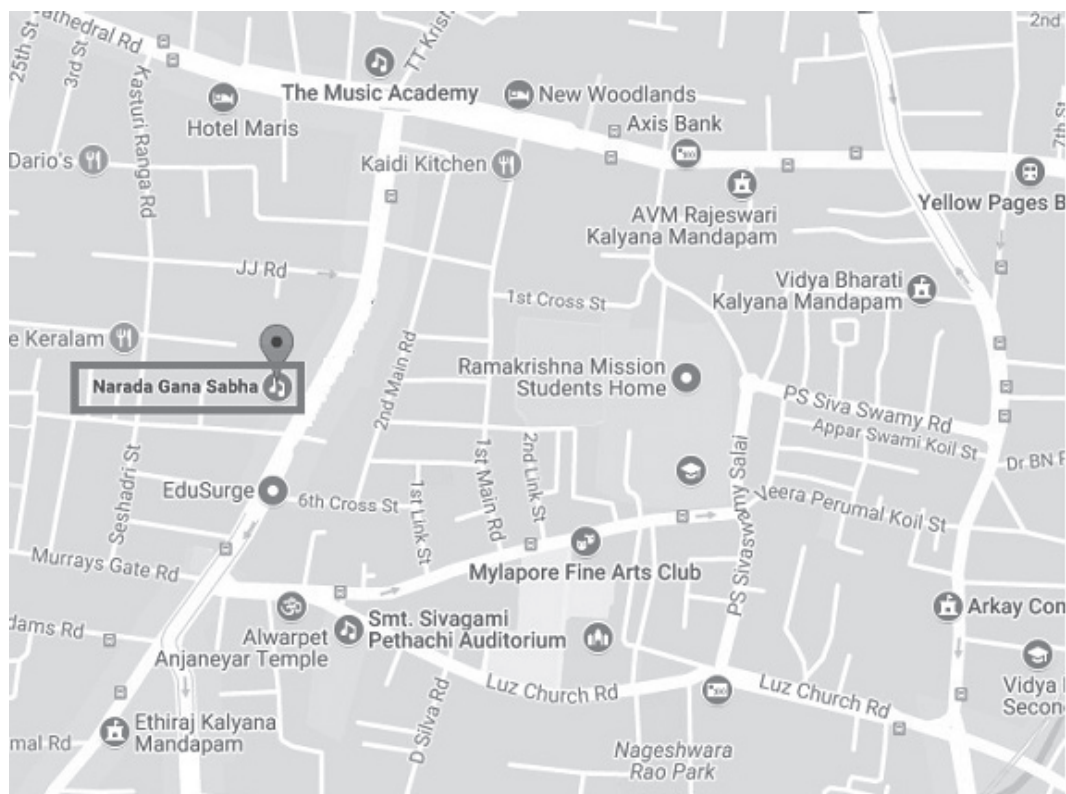
I N

#### Client ID No.

I hereby record my presence at the  
19<sup>th</sup> Annual General Meeting of the Company

-----  
Signature of Member / Proxy

### ROUTE MAP





[illegible]



[illegible]

# End to End

## Low Touch

**ALLSEC HRO**  
Comprehensive Digital HRO Services

Payroll, Time, Leave & Attendance



Business Expense Management



Automated Interfaces to pick up client data



Onboarding, Exit Processing (Full & Final Settlement)



Statutory Compliance



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# Automation

## Measurable, Predictable

RPA in automating repetitive tasks



Chatbots for instant query resolution



Mobility to transact on the go



Pro-active Statutory Compliance Tool



