September 8, 2020

Listing Department,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001
Scrip Code: **532633**

Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051
Symbol: **ALLSEC**

Sub.: Annual Report of the Company, Notice convening 21st Annual General Meeting ("AGM") and intimation of Book Closure under Regulation 34 and Regulation 42 of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Dear Sir / Madam,

This is to inform you that the 21st Annual General Meeting of the members of the Company will be held on Wednesday, September 30, 2020 at 4:30 p.m. (IST) through Video Conference / Other Audio-Visual Means ("VC / OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ("relevant circulars").

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Annual Report of the Company for the financial year 2019-20 and the Notice convening the 21st AGM.

In compliance with relevant circulars, the Notice convening the AGM and the Annual Report of the Company for the financial year 2019-20 is being sent to all the members of the Company whose email addresses are registered with the Company / Depositories. The Notice of AGM along with the Annual Report for the financial year 2019-20 is also uploaded on the website of the Company at: https://www.allsectech.com/investor-information/annual_report.php.

The details such as manner of (i) registering / updating email addresses, (ii) casting vote through e-voting and (iii) attending the AGM through VC / OAVM has been set out in the Notice of the AGM.

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer books will remain closed from Saturday, September 19, 2020 to Tuesday, September 29, 2020 (both days inclusive).

Allsec Technologies Limited
Chennai
600 042

The Company has fixed Friday, September 18, 2020 as the "Cut-off Date" for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the AGM or to attend the AGM.

You are requested to disseminate the above intimation on your website.

Thank you,

Yours faithfully,
For **Allsec Technologies Limited**

Gagan Preet Singh
DGM - Legal & Company Secretary

Allsec Technologies Limited
Chennai
600 042

ALLSEC TECHNOLOGIES LIMITED

CIN : L72300TN1998PLC041033
Regd. Office: 46C, Velachery Main Road, Velachery, Chennai - 600 042.
Ph : 044-42997070 email : investorcontact@allsectech.com

Notice of Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of **ALLSEC TECHNOLOGIES LIMITED** ("Company") will be held on 30th day of September 2020 at 4.30 p.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

Ordinary Business:

1. To receive, consider and adopt:

   (a) The Audited Standlone Financial Statements of the Company for the Financial Year ended March 31, 2020 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, 2020 together with the Auditors' Report thereon.

2. To appoint a Director in place of Mr. Ajit Isaac (DIN: 00087168) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. **Appointment of Mr. Krishna Suraj Moraje (DIN: 0008594844) as Non-Executive Non Independent Director**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Krishna Suraj Moraje (DIN: 0008594844) who was appointed as an Additional Director on January 24, 2020 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from him alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

4. **Appointment of Mr. Subramanian Ramakrishnan (DIN: 03522114) as Non-Executive Non Independent Director**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Subramanian Ramakrishnan (DIN: 03522114) who was appointed as an Additional Director of the Company by the Board of Directors on March 31, 2020 effective from April 1, 2020 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from him alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

5. **Payment of Commission to Independent Directors**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 (9), 197, 198 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the payment of annual commission to Independent Directors of the Company for each financial year with effect from financial year commencing from April 1, 2019 provided however that the aggregate commission paid to all Independent Directors of the Company shall not exceed one percent of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 for or in respect of a financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company be is are hereby authorized severally to do all such acts, deeds and things as may be necessary in this regard."

6. Fixation of fees under Section 20 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act") and relevant rules prescribed thereunder, if any, whereby, a document may be served on any Member by the Company by sending it to him / her by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Members be and is hereby accorded to charge from the Member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents, pursuant to any request by such Member for delivery of documents, through a particular mode of service mentioned above provided, such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the Member.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the aforesaid resolution."

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 the 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. In view of the outbreak of COVID-19 pandemic, social distancing measures are a pre-requisite and in terms of Ministry of Corporate Affairs ("MCA") Circular No. 20/2020 dated 5th May, 2020 read with Circular 14/2020 dated 8th April, 2020, Circular 17/2020 dated 13th April, 2020 ("MCA Circulars") and Securities and Exchange Board of India (SEBI) Circular dated 12th May, 2020, in place of physical presence of the Members at common venue the Annual General Meeting (AGM) is being conducted through Video Conference ("VC")/ Other Audio Visual Means ("OAVM"). The deemed venue for the AGM shall be the Registered Office of the Company.

3. 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.

4. 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.

5. The Register of Members of the Company and Share Transfer Books thereof will be closed from 19th September 2020 to 29th September 2020.

   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.

6. Details of Directors 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.

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. 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, if any. 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.

8. The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is KFin Technologies Limited ("Karvy") having its office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.

9. As per the Circular No.17 / 95 / 2011 CL-V dated 21st April, 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.

10. 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.

11. Electronic copy of the Notice of the 21st 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 Participants(s) for communication purposes.

12. 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.

13. As an austerity measure, copies of the Annual Report will not be distributed at the AGM. Members are requested to bring their attendance slip alongwith a copy of Annual Report to the Meeting.

Voting through electronic means

14. The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) 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 21st Annual General Meeting of the Company (the AGM Notice).

15. The facility for e-voting shall also be made available at the 21st 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.

16. The Company has appointed M/s. Mohan Kumar & Associates, Practicing Company Secretaries, Flat No. F-1, Sudarsan Apartments, 72, VGP Selva Nagar, Second Main Road, Velachery, Chennai-600042 as the Scrutinizer for conducting the remote e-voting and the e-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 18th September 2020 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. 18th September 2020 only.

SHAREHOLDERS' INSTRUCTIONS FOR E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during the AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.

2. Pursuant to 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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05,

2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.allsectech.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on 27th September 2020 (9.00 am IST) and ends on 29th September 2020 (5.00 pm IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorcontact@ allsectech.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Mr. Krishna Suraj Moraje (DIN: 0008594844) was appointed by the Board of Directors as an Additional Director of the Company in the category of Non-Executive Non Independent Director with effect from January 24, 2020. In terms of Section 161(1) of the Companies Act, 2013, Mr. Moraje holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Moraje is currently Executive Director and Group CEO of Quess Corp Limited. He has over 20 years of experience in counselling institutions across sectors (including technology, IT services, financial services, telecom, utilities, consumer and media) on strategic, organizational and operational issues. Previous roles include establishing the McKinsey's African Tech Media and Telecoms practice, and transforming the Philippines Office as the Managing Partner for the country. He holds a BE from National Institute of Technology in Surat, and a PGDM from the Indian Institute of Management in Ahmedabad.

The Board recommends the passing of the Ordinary Resolution as set out in the Item No. 3 of the Notice for the appointment of Mr. Krishna Suraj Moraje as a Director, liable to retire by rotation.

A statement containing his profile is given as per Annexure 1.

Except Mr. Suraje, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No. 4

Mr. Subramanian Ramakrishnan (DIN: 03522114) was appointed by the Board of Directors as an Additional Director of the Company in the category of Non-Executive

Non Independent Director with effect from April 1, 2020. In terms of Section 161(1) of the Companies Act, 2013, Mr. Ramakrishnan holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Subramanian Ramakrishnan is presently Chief Financial Officer (CFO) of Quess Corp Limited, ultimate holding Company of Allsec. He is a qualified Chartered Accountant, Cost & Management Accountant and Company Secretary and has over 23 years of rich Industry experience. He has rendered services in Manufacturing, IT and Services sectors. His previous assignments include large Organizations like Ingram Micro India, Mphasis, Hewlett Packard, IBM, Timken, Ford, Sanmar Engineering and Sansara Engineering. His vast experience in Controllership, Treasury and Financial Planning & analysis has been instrumental in driving operational efficiency across various functions by automating multiple processes in those roles. He has been instrumental in handling quite a few cross-border acquisitions.

The Board recommends the passing of the Ordinary Resolution as set out in the Item No. 4 of the Notice for the appointment of Mr. Subramanian Ramakrishnan as a Director, liable to retire by rotation.

A statement containing his profile is given as per Annexure 1.

Except Mr. Ramakrishnan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No. 5

The members are apprised that as per the provisions of Companies Act, 2013, with the approval of the Members of the Company by way of a Ordinary Resolution, a Company may make payments by way of commission to its Non-Executive Directors (including Independent Directors), in addition to the sitting fees for attending the meetings of the Board of Directors or Committees thereof, and such remuneration by way of commission cannot exceed 1% of the net profits of the Company.

Considering the contribution and the crucial role played by the Independent Directors in the growth of the Company with their independent functioning in the Board and the external perspective to the decision-making and the strategic guidance they offer while maintaining objective judgments, the Board recommends the proposal of payment by way of Commission to its Independent Directors i.e. Mr. Milind Chalisgaonkar, Mr. Sanjay Anandaram and Ms. Lakshmi Sarada R. in addition to the sitting fees, upto 1% of the net profits of the Company for a particular year.

The Board recommends the passing of an Ordinary Resolution as set out in the Item No. 5 of the Notice for the payment of annual commission to the Independent Directors of the Company i.e. Mr. Milind Chalisgaonkar, Mr. Sanjay Anandaram and Ms. Lakshmi Sarada R.

Except Mr. Milind Chalisgaonkar, Mr. Sanjay Anandaram and Ms. Lakshmi Sarada R., none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

As per the applicable provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as may be determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Ordinary Resolution at Item No. 6 of the accompanying Notice for Members' approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Place: Chennai
Date: 18th May 2020

By Order of the Board of Directors

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

Registered Office:

46C, Velachery Main Road, Velachery, Chennai - 600042
Email: investorcontact@allsectech.com

CIN: L72300TN1998PLC041033

Additional information of Directors to be re-appointed / appointed at the 21st Annual General Meeting pursuant to SEBI (LODR) Regulations, 2015, Companies Act, 2013 and Secretarial Standards-2

Name	**Mr. Ajit Isaac**	**Mr. Krishna Suraj Moraje**	**Mr. Subramanian Ramakrishnan**
Brief resume	Ajit Isaac is the Chairman and Managing Director at Quess Corp. Limited. He is credited with building Quess Corp into India's largest business services provider within a span of 10 years under his leadership. He was the founder of PeopleOne Consulting, which was sold to Adecco SA of Switzerland in 2004. Prior to his becoming an entrepreneur, Mr. Isaac worked for about ten years in industries across sectors such as steel, oil, energy, financial services and telecom in various senior management positions.	Mr. Moraje is currently Executive Director and Group CEO of Quess Corp Limited. He has over 20 years of experience in counselling institutions across sectors (including technology, IT services, financial services, telecom, utilities, consumer and media) on strategic, organizational and operational issues. Previous roles include establishing the McKinzey's African Tech Media and Telecoms practice, and transforming the Philippines Office as the Managing Partner for the country.	Mr. Subramanian Ramakrishnan is presently Chief Financial Officer (CFO) of Quess Corp Limited, ultimate holding Company of Allsec. He has rendered services in Manufacturing, IT and Services sectors. His previous assignments include large Organizations like Ingram Micro India, Mphasis, Hewlett Packard, IBM, Timken, Ford, Sanmar Engineering and Sansara Engineering.
Age	53 years	43 years	48 years
Qualification	Gold medalist in PG programme in HR from Madras School of Social Works and a British Chevening Scholar from the Leeds University	BE from National Institute of Technology in Surat, and a PGDM from the Indian Institute of Management in Ahmedabad.	Qualified Chartered Accountant, Cost & Management Accountant and Company Secretary with over 23 years of rich Industry experience.
Experience	29 years	20 years	23 years
Remuneration last drawn	NA	NA	NA
Nationality	Indian	Indian	Indian
Expertise in specific functional area	Expertise in identifying value-accretive and transformative deals combined with his focus on operational efficiency and business.	Over 20 years of experience in counselling institutions across sectors (including technology, IT services, financial services, telecom, utilities, consumer and media) on strategic, organizational and operational issues.	His vast experience in Controllership, Treasury and Financial Planning & analysis has been instrumental in driving operational efficiency across various functions by automating multiple processes in those roles. He has been instrumental in handling quite a few cross-border acquisitions.
Date of first appointment on the Board of the Company	May 29, 2019	January 24, 2020	April 1, 2020

ALLSEC TECHNOLOGIES LIMITED

A QUESS ENTERPRISE

Annual Report

2019 - 20

Corporate Information

ALLSEC TECHNOLOGIES LIMITED

Board of Directors

Mr. Ajit Isaac	Chairman & Non Executive Non Independent Director
Mr. Krishna Suraj Moraje	Non Executive Non Independent Director
Mr. Subramanian Ramakrishnan	Non Executive Non Independent Director
Mr. Sanjay Anandaram	Non Executive Independent Director
Mr. Milind Chalisgaonkar	Non Executive Independent Director
Ms. Lakshmi Sarada	Non Executive Independent Woman Director

Management Committee

Mr. Ashish Johri	Chief Executive Officer
Mr. R. Vaithiyanathan	Senior Vice President - Operations
Mr. C. Mahadevan	Senior Vice President - HRO
Mr. P. Raghunath	Vice President - Finance & CFO
Mr. R.K. Dhanabalan	Vice President - HR
Mr. Saravanan Thambusamy	Vice President - Technology

DGM-Legal & Company Secretary

Mr. Gagan Preet Singh

Auditors

Deloitte Haskins & Sells,
Chartered Accountants,
8th Floor, ASV N Ramana Towers,
52, Venkatnarayana Road,
T. Nagar, Chennai - 600017

Registered Office

46C, Velachery Main Road,
Velachery, Chennai - 600042

Corporate Office

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

Bankers

- Canara Bank
- HDFC Bank
- Citi Bank

Registrars & Transfer Agents

KFIN TECHNOLOGIES PRIVATE LIMITED,
Karvy Selenium Towers, No. - B,
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad 500 032, Telangana.

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ALLSEC TECHNOLOGIES LIMITED

Financial Highlights
Standalone & Consolidated

(INR in Lakhs)

S. No.	Particulars	Year Ended March 31, 2020*	Year Ended March 31, 2019*	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
A	**Profit and Loss Account**										
	Revenue	20,133	15,317	12,878	11,621	10,836	9,747	10,674	10,747	12,471	14,154
	Profit Before Tax (PBT)^	1,818	2,015	2,478	2,037	1,245	(130)	543	(333)	(1,470)	(394)
	Profit After Tax (PAT)	945	951	2,899	2,254	948	(174)	543	(333)	(1,470)	(394)
B	**Balance Sheet**										
	Net fixed assets (Incl.ROUA) *	2,531	1,160	1,013	793	745	927	1,769	2,384	3,131	3,588
	Investments	4,359	10,473	10,857	10,328	6,724	5,282	6,178	3,532	3,118	4,252
	Other Assets (Net)	8,800	5,886	5,673	3,483	4,966	5,387	4,162	5,650	5,762	5,776
	Total Assets	**15,690**	**17,519**	**17,543**	**14,604**	**12,435**	**11,596**	**12,109**	**11,566**	**12,011**	**13,616**
	Equity Share Capital	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
	Reserves & Surplus	12,537	15,950	15,954	13,055	10,876	9,928	10,497	9,954	10,287	11,756
	Net worth	**14,061**	**17,474**	**17,478**	**14,579**	**12,400**	**11,452**	**12,021**	**11,478**	**11,811**	**13,280**
	Other Financial Liabilities (Incl.Lease Liabilities) *	1,629	45	65	25	35	144	88	88	200	336
	Total Liabilities	**15,690**	**17,519**	**17,543**	**14,604**	**12,435**	**11,596**	**12,109**	**11,566**	**12,011**	**13,616**
C	**Earning Per Share (EPS) & Key Ratios**										
	Basic EPS (in INR)	6.20	6.24	19.02	14.79	6.22	(1.14)	3.57	(2.19)	(9.64)	(2.50)
	Diluted EPS (in INR)	6.20	6.24	19.02	14.27	6.22	(1.14)	3.47	(2.19)	(9.64)	(2.50)
	Book Value per share	92.27	114.67	114.70	95.67	81.36	75.14	78.88	75.33	77.5	87.15
	Return on Networth	7%	5%	17%	15%	8%	(2%)	5%	(3%)	(12%)	(3%)
	(RONW in %)										
	Fixed Assets Turnover (No of times)	7.95	13.20	12.71	14.65	14.54	10.51	6.03	4.51	3.98	3.94

* Figures for year ended 31st March 2020, 31st March 2019, 31st March 2018 & 31st March 2017 are as per Ind AS whereas comparatives for previous years are based on earlier IGAAP.

^ Profit before taxation for year ended 31st March 2020 & 31st March 2019 includes one time investment impairment of INR 1,214 lakhs & INR 1,307 lakhs respectively.

* Net Fixed Assets includes Right Of Use Asset (ROUA) amounting to ₹1,558 Lakh and Other Financial Liabilities includes Lease Liabilities of ₹ 1,611 Lakh arising as an impact of adoption of Ind AS-116 on Leases effective from 01-04-2019.

Previous Year/s figures are regrouped wherever necessary

(INR in Lakhs)

S. No.	Particulars	Year Ended March 31, 2020*	Year Ended March 31, 2019*	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
A	**Profit and Loss Account**										
	Revenue	29,444	26,116	32,496	31,812	23,338	15,086	19,962	32,007	18,314	15,852
	Profit Before Taxation (PBT)^	5,720	2,883	6,359	6,328	3,453	(1,233)	(5,363)	2,063	(1,049)	(735)
	Profit After Taxation (PAT)	4,493	1,567	5,953	6,172	3,094	(1,406)	(3,714)	884	(1,472)	(756)
B	**Balance Sheet**										
	Net Fixed Assets (Incl.ROUA)*	3,440	1,321	2,424	2,233	2,231	2,652	3,906	4,293	4,634	5,183
	Investments	3,339	8,239	7,316	6,139	1,911	175	1,072	888	510	1,875
	Other Assets (Net)	18,370	12,265	11,078	6,613	5,261	3,400	3,236	6,312	5,048	4,955
	Total Assets	**25,149**	**21,825**	**20,818**	**14,985**	**9,403**	**6,227**	**8,214**	**11,493**	**10,192**	**12,013**
	Equity 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
	Reserves & Surplus	21,283	20,256	19,229	13,436	7,623	4,621	6,430	8,620	8,391	10,029
	Net Worth	**22,807**	**21,780**	**20,753**	**14,960**	**9,147**	**6,145**	**7,954**	**10,144**	**9,915**	**11,654**
	Other Financial Liabilities (Incl.Lease liability)*	2,342	45	65	25	256	82	260	325	23	336
	Non-Controlling Interest (Minority Interest)	-	-	-	-	-	-	-	1,024	254	22
	Total Liabilities	**25,149**	**21,825**	**20,818**	**14,985**	**9,403**	**6,227**	**8,214**	**11,493**	**10,192**	**12,013**
C	**Earning Per Share (EPS) and Key Ratio**										
	Basic EPS (In INR)	29.48	10.28	39.07	40.50	20.30	(9.23)	16.40	1.28	(11.14)	(4.97)
	Diluted EPS (In INR)	29.48	10.28	39.07	40.50	20.30	(9.23)	16.40	1.24	(11.14)	(4.97)
	Book Value per Share	149.67	145.52	136.19	98.17	60.02	40.32	52.19	66.56	65.06	76.48
	Return on Networth (RONW in %)	20%	7%	29%	41%	34%	(23%)	-47%	9%	-15%	(7%)
	Fixed Assets Turnover (No of times)	8.56	19.77	13.41	14.25	10.46	5.69	5.11	7.46	3.95	3.06

* Figures for year ended 31st March 2020, 31st March 2019, 31st March 2018 & 31st March 2017 are as per Ind AS whereas comparatives for previous years are based on earlier IGAAP.

^ Profit before taxation for year ended 31st March 2019 includes one time goodwill impairment of INR 1,247 lakhs.

* Net Fixed Assets includes Right Of Use Asset (ROUA) amounting to ₹ 2,227 Lakh and Other Financial Liabilities includes Lease Liabilities of ₹ 2,324 Lakh arising as an impact of adoption of Ind AS-116 on Leases effective from 01-04-2019.

Previous Year/s figures are regrouped wherever necessary

Directors' Report

The Directors take pleasure in presenting to you the 21st Annual Report of the Company covering the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Pursuant to the notification dated 16 February 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from 1 April 2017. The performance of the Company for the financial year 2019-20 is summarized below:

(₹ In Lakhs)

	STANDALONE			CONSOLIDATED		
	YEAR ENDED			YEAR ENDED		
	31-Mar-20	31-Mar-19	F/(A)	31-Mar-20	31-Mar-19	F/(A)
INCOME FROM SERVICES	20,133	15,317	31%	29,444	26,116	13%
TOTAL COSTS	16,017	12,310	(30%)	21,917	22,153	1%
OPERATING MARGIN	4,116	3,007	37%	7,527	3,963	90%
OTHER INCOME	545	743	(27%)	409	742	(45%)
EBIDTA	4,656	3,687	26%	7,925	4,638	71%
EBIDTA (%)	23%	24%		27%	18%	
DEPRECIATION	1,455	408	(257%)	1,990	526	(278%)
FINANCE COST	174	20	(770%)	226	49	(361%)
PROFIT/(LOSS) BEFORE TAX & EXCEPTIONAL ITEM	3,032	3,322	(9%)	5,720	4,130	38%
EXCEPTIONAL ITEM	1,214	1,307		-	1,247	
PROFIT/(LOSS) BEFORE TAX	1,818	2,015	(10%)	5,720	2,883	98%
PROFIT/(LOSS) AFTER TAX	945	951	(1%)	4,493	1,567	187%

*F / (A) stands for Favourable / Adverse

Business Outlook

The Company primarily operates two business segments namely the Human Resources Operations (HRO) business that caters to the payroll and other HR service we provide to our clients and the Customer Lifecycle Management (CLM) business which provides the voice and non-voice services to domestic and international clients.

With large wins during FY20 the HRO business is poised for sustained momentum that it has delivered over the last decade surging among leaders in Outsource Payroll / HR Services in the country. Allsec HRO has a strong payroll and HRIS platform custom built for India, South East Asia, Middle East and Africa region with multi language support. In order to ensure that the Company has the ability to acquire larger business deals, we concentrated on key aspects that deliverers grater efficiency and error free deliverables and built several key applications such as SmartInput Centre, and Payroll Authorization Module allowing Domestic and International clients to seamlessly provide inputs and consume payroll outputs without a hassle. In the HRO statutory compliance businesss, the Company has automated many of the activities which has brought down the time of doing these activities substantially as well as resulting in Zero error output.

The CLM business has evolved as "Digital Business Services"(DBS) which reflects better the nature of Allsec's offerings. We have introduced digital layering in all of our service offerings through integration of RPA (Robotic Process Automation), ML (Machine Learning), Conversational AI and voice bots.

Domestic CLM has remained largely steady in its revenues despite the impact of Covid-19 in the month of March. Additional businesses by means of Cross-selling and Up-selling has been added to many of the existing domestic businesses. This has strengthened our overall revenue share from the existing Clients. Debt Collections in the domestic space is also being pursued aggressively and we expect to close a few domestic collections deals in the coming financial year. Our Noida centre has further increased its existing share of business by ramping up in other North Indian languages.

The CLM - International business in India has demonstrated a steady growth over the last year's revenues. We have seen additional seat increase in all of the major international clients. Our verticals of focus continue to be BFSI, E-commerce, Healthcare, E-pharmacies, Online learning and Mortgage Businesses. We are also expanding our businesses in Accounts Receivable space across multiple geographies. We are also aggressively pursuing business in the Canadian geography for the next financial year. Overall, despite the impact of Covid our business outlook looks bright with the support of stable and long lasting relationships with our clients.

Profit before Tax and Exceptional Item (PBTE) stood at INR 3,032 Lakhs as compared to INR 3,322 Lakhs in the previous year. Your Company has reported Net profit after tax for the current year at INR 945 Lakhs as compared to Net profit after tax of INR 951 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 29,444 lakhs as compared to INR 26,116 in the previous year. Consolidated Profit before Tax and Exceptional Item increased to INR 5,720 lakhs from INR 4,130 INR in the previous year. Net profit after tax stood at INR 4,493 lakhs from INR 1,567 lakhs in previous year.

The Company has delivery centers in India at Chennai, Bengaluru & 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 does not recommend any dividend for the year.

Deposits

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

Directors

The Board of Directors of your Company consists of three (3) Non-Executive Non-Independent Directors and three (3) Non-Executive Independent Directors. All the Directors of your Company have rich background of experienced leadership and management. The details of the members of the Board is given in the Corporate Governance section of the Annual Report.

Key Managerial personnel

The Key Managerial Personnel of Allsec Technologies Limited upto the report date are mentioned below:

1. Mr. Ashish Johri - Chief Executive Director
2. Mr. Nataraj Lakshmipathy – Chief Financial Officer
3. Mr. Gagan Preet Singh – Company Secretary

Employees

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

Corporate Governance

Your Company is fully compliant with the requirements under SEBI (LODR) Regulations, 2015. The report on Corporate Governance as per Regulation 34(3) read with Schedule V of the listing Regulations is given in Annexure A.

Certificate from Practicing Company Secretaries confirming the compliance of conditions of Corporate Governance is included in Annexure B CEO / CFO certification is attached in Annexure H.

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 Allsectech 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 an integral part of this Annual Report.

The Annual Accounts of the said subsidiaries and the related detailed information will be made available to the investors of the Company seeking such information at any point of time. Performance and financial position of subsidiaries included in consolidated financial statements of the Company in format AOC-1 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/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 complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated in this report.

Extract of Annual Return

An Extract of the Annual Return in form MGT-9 as of March 31, 2020, 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 web link http://www.allsectech.com/investor-information.aspx

Board Meetings held during the year

During the year, 8 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.

Committees of the Board

The Board of Directors have four committees of the Board namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility & Stakeholder Relationship Committee. The Details of the composition and 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:

a. In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. 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;

c. 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;

d. The Directors had prepared the annual accounts on a going concern basis.

e. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. 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, Regulation 25 of the SEBI (LODR) Regulations 2015.

Pursuant to section 134(3) of the Companies Act, 2013 & Rule (8) of the Companies (Accounts) Rules, 2014 and the listing Regulations a structured Questionnaire was prepared considering the various aspects of board functioning and composition of Board committees and used to evaluate the performance of the Board. The Independent Directors considered / evaluated the performance of the Non-independent Directors at a meeting without the Non-independent Directors.

The Board members subsequently evaluated performance of the Board, the Committees and Independent Directors as per the criteria and questionnaire developed for the purpose and the Board of Directors expressed their satisfaction with the evaluation process.

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 in the website of the Company under the web link http://www.allsectech.com/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/About/investor-information.aspx

All the Related Party Transactions that were entered into by the Company during the financial year 2019-20, were on an arm's length basis and were in the ordinary course of business. Thus, the provisions of Section 188 of the Companies Act, 2013 and the Rules framed thereunder are not attached. Thus, a disclosure on Form AOC-2 is not required. All repetitive Related Party Transactions are placed before the Audit Committee are within the Omnibus Approval limits obtained 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.

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/investor-information. 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 Section 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 43.84 lakhs as CSR Contribution. During the financial year 2019-20, the CSR Committee of the Company had a meeting on January 24, 2020 which approved the contributions made and proposed to the tune of INR 43.84 Lakhs to promote various educational institutions identified and 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 report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed in Annexure G and forms an integral part of the this Report. The policy has been uploaded on the Company's website at the Link http://www.allsectech.com/investor-information.aspx

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 forming an integral Part of the Annual Report.

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.The Internal Audit is entrusted to M/s. Ernst & Young LLP and the main scope of the Audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the Industry.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company were appointed at the 20th Annual General Meeting held on September 30, 2019 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, 2020 and May 18, 2020 (date of the Report)

There are no material changes and commitments affecting the financial position of the company which has happened between March 31 2020 and May 18 2020.

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 M/s. A. Mohan Kumar & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is given as an Annexure D 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 Company has a robust Quality Management and Information Security Management system in place to identify potential risks, areas for improvement and further to have smooth business operations. Periodic Management Review meetings are conducted to review these.

Latest version of QMS certification i.e. ISO 9001:2015 was renewed during the year. ISO 27001:2013 certification too was renewed during the with addition of 1 new building each at Bengaluru and Noida in scope. All annual renewals and scope expansion were completed successfully during the year.

We accomplished PCI DSS Compliance Certification for Bengaluru and Noida facilities for the first time in view of banking business that we have in these centers. Renewal for the long-existing PCI DSS compliance certifications for Chennai and Manila facilities was completed during the year. Additionally, we got our Chennai facility certified for HIPAA in view of new healthcare business and future business focus on healthcare vertical. HIPAA is -Health Insurance Portability and Accountability Act, a certification needed in line with this US Act for US health care business. Existing SSAE 18 / ISAE 3402 which is a graduated version of SAS 70 Type II certification for HRO business has been renewed.

General Data Protection Regulation (GDPR) is a regulation in EU law on data protection & privacy for all individuals within the European Union (EU). It also addresses the requirements to be fulfilled for export of personal data from EU to outside the EU. This Act is applicable to all entities which can be located anywhere in the world and have to mandatorily deploy the GDPR framework and controls if they collect or process personally identifiable information (PII) of EU citizens or those residing in EU. We established GDPR framework last year. In this year, we continued strengthening the controls and our system in line with this regulation for the business lines it is applicable.

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) business, 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	5,388
Expenditure in Foreign Currency	290

Environment, Health & Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year the committee has not received any complaints.

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), 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 for the investors to facilitate the redressal of the queries and complaints of the investors.

The Company has appointed M/s. KFin Technologies 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, Velachery, 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 Institution 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

Bengaluru	**Ajit Isaac**	**Krishna Suraj Moraje**
May 18, 2020	Director	Director

REPORT ON CORPORATE GOVERNANCE

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 Government. Your Directors are committed to adopt the best Corporate Governance practices.

2. Board of Directors:

The Board comprises of one Non-Independent Non-Executive Director as Chairman, two Non-Independent Non-Executive Directors and three Independent Directors. The Directors are not related to each other and the Board is chaired by Non-executive Director, Mr. Ajit Isaac.

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 2019-20, eight meetings of the Board of Directors were held on May 17, 2019, May 23, 2019, June 6, 2019, July 22, 2019, September 10, 2019, October 23, 2019, January 24, 2020 and March 20, 2020.

Name	Designation	Category	Attendance		Other Board	
			Board Meeting	Last AGM	Director ships #	Committee Member ship $
T.Anantha Narayanan (00007227)@	Chairman	Independent Non- Executive	2	No	-	-
Lalitha Sankaran (01780757)@	Director	Independent Non- Executive	2	No	-	-
C.Jayaram (00012214)@	Director	Independent Non- Executive	2	No	3	-
D.Padmanabhan (00265865)^	Director	Independent Non- Executive	3	No	-	-
A. Saravanan (00033683)@	Director & President	Non- Independent Non - Executive	3	No	-	-
R.Jagadish (00033589)@	Director & CEO	Non-Independent Executive	3	No	-	-
Ajit Isaac (00087168)	Chairman	Non-Independent Non-Executive	6	Yes	2	2
Subrata Nag (00233400)*	Director	Non-Independent Non-Executive	6	Yes	2	2
Milind Chalisgaonkar (00057579)	Director	Independent Non-Executive	6	Yes	1	1
Sanjay Anandaram (00579785)	Director	Independent Non-Executive	6	Yes	2	2
Lakshmi Sarada R. (07140433)	Director	Independent Non-Executive	3	Yes	2	1
Krishna Suraj Moraje (08594844)	Director	Non-Independent Non-Executive	2	NA	1	-
Subramanian Ramakrishnan (03522114)%	Director	Non-Independent Non-Executive	-	NA	1	2

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. June 6, 2019 and Mr. Ajit Isaac appointed as Chairman w.e.f. June 6, 2019;
^ Resigned w.e.f. July 1, 2019; * Resigned w.e.f. March 31, 2020;
% Appointed w.e.f. April 1, 2020

The Board Skill Matrix

Name	Designation	Category	Skills
Ajit Isaac (00087168)	Chairman	Non-Independent Non-Executive	Ajit Isaac is the Chairman and Managing Director at Quess Corp. He is credited with building Quess Corp into India's largest business services provider within a span of 11 years under his leadership. He was the founder of PeopleOne Consulting, which was sold to Adecco SA of Switzerland in 2004. He served as the Managing Director at Adecco PeopleOne India Pvt. Ltd from 2000 to 2007. Prior to his becoming an entrepreneur, Mr. Isaac worked for about ten years in industries across sectors such as steel, oil, energy, financial services and telecom in various senior management positions.
Milind Chalisgaonkar (00057579)	Director	Independent Non-Executive	Milind Chalisgaonkar is a management consultant, mentor with experience in insurance, BPO, call centre, software, manufacturing and banking sectors. He is B.Tech (Ceramics) from Indian Institute of Technology at Banaras Hindu University, Varanasi and PG Diploma in Business Management from XLRI, Jamshedpur.
Sanjay Anandaram (00579785)	Director	Independent Non-Executive	Sanjay Anandaram holds a Bachelor's degree in Electrical Engineering from Jadavpur University in Kolkata and a PG Diploma in Management from the Indian Institute of Management, Bangalore. He has over 30 years of experience as a corporate executive, investor, teacher and advisor to fund and entrepreneurs.
Lakshmi Sarada R. (07140433)	Director	Independent Non-Executive	Lakshmi Sarada has vast exposure in the field of secretarial, finance, direct and indirect taxation. She has given expert opinions and advisory services on company law matters. She has represented before NCLT, RBI and Regional Director on several matters. She is a qualified Company Secretary, Associate Member of the Insurance Institute of India and holds Bachelor's Degree in Commerce. She is Level 3 certified member in NCFM conducted by NSEIT.
Krishna Suraj Moraje (08594844)	Director	Non-Independent Non-Executive	Krishna Suraj Moraje is Executive Director and Group CEO of Quess Corp Limited. He has over 20 years of experience in counselling institutions across sectors (including technology, IT services, financial services, telecom, utilities, consumer and media) on strategic, organizational and operational issues. He has also served on McKinsey & Co.'s global new Partner Election Committee. He holds a BE from National Institute of Technology in Surat and a PG Diploma in Business from Indian Institute of Management, Ahmedabad.

Name	Designation	Category	Skills
Subramanian Ramakrishnan (03522114)	Director	Non-Independent Non-Executive	Mr. Subramanian Ramakrishnan is presently Chief Financial Officer (CFO) of Quess Corp Limited, ultimate holding Company of Allsec. He is a qualified Chartered Accountant, Cost & Management Accountant and Company Secretary and has over 23 years of rich Industry experience. He has rendered services in Manufacturing, IT and Services sectors. His previous assignments include large Organizations like Ingram Micro India, Mphasis, Hewlett Packard, IBM, Timken, Ford, Sanmar Engineering and Sansara Engineering. His vast experience in Controllership, Treasury and Financial Planning & analysis has been instrumental in driving operational efficiency across various functions by automating multiple processes in those roles. He has been instrumental in handling quite a few cross-border acquisitions

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

An amount of ₹ 20,000/- per meeting is being paid towards Sitting fee for attending meetings of the Board and the Committees to the Independent Directors. In the ensuing 21st Annual General Meeting, the Board of Directors are seeking members' approval for payment of Annual Commission to Independent Directors within the limits allowed under the Companies Act, 2013.

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: https://www.allsectech.com/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. Web link where details of familiarisation programmes imparted to independent directors is disclosed https://www.allsectech.com/investor-information.aspx. The Company has complied with, wherever applicable, the corporate governance requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.

3. Audit Committee:

The Audit Committee presently consists of Independent and Non-Independent directors. The Committee currently comprises of Mr. Milind Chalisgaonkar, Chairman, Mr. Subramanian Ramakrishnan, Mr. Sanjay Anandaram and Ms. Lakshmi Sarada R. The composition of the Audit Committee complies with the requirements of Regulation 18 of the SEBI (LODR) Regulations 2015. During the year, 5 Audit Committee meetings were held on May 17, 2019, July 22, 2019, September 10, 2019, October 23, 2019 and January 24, 2020.

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

Name	Category	Position	Attendance
Milind Chalisgaonkar	Non-Executive Independent	Chairman	4
Subrata Nag *	Non-Executive Non-Independent	Member	4
Sanjay Anandaram	Non-Executive Independent	Member	4
Lakshmi Sarada R.	Non-Executive Independent	Member	4
Subramanian Ramakrishnan^	Non-Executive Non-Independent	Member	0

* Resigned w.e.f. March 31, 2020;

^ Appointed w.e.f. April 1, 2020

4. Nomination and Remuneration Committee:

The Nomination and Remuneration committee presently consists of Independent and Non-Independent directors. The Committee currently comprises Mr. Sanjay Anandaram as Chairman, Mr. Ajit Isaac, Mr. Subramanian Ramakrishnan and Mr. Milind Chalisgaonkar. During the year, one meeting was held on January 24, 2020 which was attended to by all the members of the Committee.

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.
- 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 as required/ recommended by SEBI (Share Based Employee Benefits) Regulators, 2014.
- Other functions of a Remuneration 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.

Executive Director

There is no Executive Director on the Board of the Company.

Non-Executive Directors

(₹ In Lakhs)

Name of Director	Sitting Fees	
	Board	Audit Committee
Milind Chalisgaonkar	1.60	1.00
Sanjay Anandaram	1.60	1.00
Lakshmi Sarada R.	1.60	1.00

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. Sanjay Anandaram as Chairman, Mr. Ajit Isaac and Mr. Subramanian Ramkrishnan. During the year, one Committee meeting was held on March 20, 2020.

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 2019-20 are:

Complaints received	Resolved	Not solved to the satisfaction of shareholders	Pending
4	4	Nil	Nil

6. Independent Directors Meeting:

A Meeting of the Independent Directors was held on January 24, 2020 in accordance to the section 149(8) of the Companies Act, 2013 to review the performance of the Independent directors, Board as a whole including other Executive & Non-Executive Directors.

7. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of 3 Directors. Mr. Ajit Isaac, Mr. Subramanian Ramakrishnan and Mr. Milind Chalisgaonkar. The Composition is in accordance with provisions of Sec 135 of the Companies Act 2013. The Committee formulates and recommend 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 43.84 Lakhs as CSR Contribution. During the financial year 2019-20, the CSR Committee had one meeting held on January 24, 2020 which approved the proposal to contribute INR 43.84 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.

8. General Body Meetings:

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

Financial Year	Date	Time	Venue
2016-17	August 10, 2017	10.00 A.M	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai 600 018
2017-18	August 09, 2018	10.00 A.M	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai 600 018
2018-19	September 30, 2019	3.00 P.M	Vani Mahal, Sri P. Obul Reddy Hall, 103, G. N. Chetty Road, T. Nagar, Chennai-600017

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

1. The following Special Resolution was passed in the AGM held on September 30, 2019:

   i. Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole time Director.

2. No Special Resolution was passed in the AGM held on 10th August 2017.

3. No Special Resolution was passed in the AGM held on 09th August 2018.

II. Extra-Ordinary General Meetings :

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

Date	Time	Venue
12th October, 2006	11.00 am	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai -18
21st February, 2008	11.00 am	46 C, Velachery Main Road, Velachery, Chennai – 42
8th March, 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 12th October, 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 21st February, 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 8th March, 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 15th March 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

During the year, an amount of ₹ 5.75 lakhs was levied by the NSE on the Company for delayed appointment in the requisite number of directors. The company has paid the amount under protest. In addition, your company also strives to adhere and comply with discretionary requirements specified in Regulation 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 & (vi) Non-Executive Chairman.

10. Means of Communication:

- The Quarterly results are being published in one leading national (English) newspaper normally Financial Express or Business Line and in one vernacular newspaper (Makkalkural or Malai Murasu or Malai Sudar). The Quarterly results are also displayed on the Company's website- www.allsectech.com.
- The Company's website also displays Annual Report, shareholding pattern, code of conduct, News releases and other shareholders information.
- 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: September 30, 2020 at 4.30 pm

Venue: Video Conference / Other Audio Visual Means

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

19th September 2020 to 29th September 2020 (Both days inclusive)

D. Listing on Stock Exchanges

The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited and hereby confirm that the Annual Listing fees for the year is duly paid.

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.

Broad Based Market Comparison information details for the year 2019-20

Month	National Stock Exchange				Bombay Stock Exchange			
	Price		Indices		Price		Indices	
	High	Low	High	Low	High	Low	High	Low
Apr-19	315.80	275.50	11856.15	11549.10	315.45	279.00	39487.45	38460.25
May-19	324.95	303.55	12041.15	11108.30	325.00	302.05	40124.96	36956.10
Jun-19	318.95	304.05	12103.05	11625.10	319.00	302.05	40312.07	38870.96
Jul-19	319.80	273.05	11981.75	10999.40	324.95	275.90	40032.41	37128.26
Aug-19	308.00	256.50	11181.45	10637.15	314.95	256.75	37807.55	36102.35
Sep-19	315.00	257.25	11694.85	10670.25	310.00	258.00	39441.12	35987.80
Oct-19	316.00	263.70	11945.00	11090.15	312.85	265.00	40392.22	37415.83
Nov-19	306.50	271.50	12158.80	11802.65	306.20	272.10	41163.79	40014.23
Dec-19	297.90	252.05	12293.90	11832.30	287.80	252.00	41809.96	40135.37
Jan-20	348.70	280.00	12430.50	11929.60	340.00	274.00	42273.87	40476.55
Feb-20	294.20	242.20	12246.70	11175.05	290.00	249.55	41709.30	38219.97
Mar-20	265.00	106.50	11433.00	7511.10	279.90	109.15	39083.17	25638.90

G. Registrars and Transfer Agents

KFin Technologies 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

H. Share Transfer System

KFin Technologies 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 dematerialized 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, 2020:

Consolidated Shareholding Pattern As on 31-03-2020			
Category	**No. of Holders**	**Total Shares**	**% To Equity**
Promoter Companies	2	1,11,82,912	73.39
Resident Individuals	4,995	21,97,038	14.42
Bodies Corporates	82	8,71,605	5.72
Promoters	2	7,61,916	5.00
Non Resident Indian Non Repatriable	46	99,849	0.66
H U F	161	60,886	0.40
Non Resident Indians	49	55,043	0.36
Clearing Members	23	9,077	0.06
Total	**5,360**	**1,52,38,326**	**100.00**

Distribution of Shareholding

Category (Amount)	No. of Holders	% to Holders	Total Shares	Amount	% of Amount
1-5000	4,979	92.89	3,48,647	3,486,470	2.29
5001- 10000	157	2.93	1,24,693	1,246,930	0.82
50001- 100000	32	0.60	2,30,705	2,307,050	1.51
40001- 50000	10	0.19	47,084	470,840	0.31
30001- 40000	17	0.32	63,197	631,970	0.41
20001- 30000	35	0.65	87,413	874,130	0.57
10001- 20000	81	1.51	1,19,094	1,190,940	0.78
100001& Above	49	0.91	1,42,17,493	142,174,930	93.30
Total	**5,360**	**100.00**	**1,52,38,326**	**152,383,260**	**100.00**

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

K. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities.

L. Plant/Office locations

Allsec Technologies has its offices/ Service delivery centers across various locations in India.

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%

M. Dematerialization of shares and liquidity

As on March 31, 2020 about 99.99% of the shares were held in dematerialized form.

N. Credit Ratings

During the financial year under review, the Company received credit ratings on its instruments which have been disclosed to the stock exchanges from time to time.

O. 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:

KFin Technologies 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

P. Website address for Company Policies

Web site: www.allsectech.com

OTHER DISCLOSURES

(a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large; - **Not Applicable**

(b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; **Detailed Earlier.**

(c) details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee; **Integral Part of Directors Report.**

(d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements; **All mandatory requirements of SEBI (LODR) Regulations 2015 have been complied with.**

(e) web link where policy for determining 'material' subsidiaries is disclosed; www.allsectech.com

(f) web link where policy on dealing with related party transactions; www.allsectech.com

(g) disclosure of commodity price risks and commodity hedging activities. **- NA**

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). **Not Applicable**

(i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. **– The Company has obtained a certificate to this effect from M/s. A. Mohan Kumar & Associates a practicing company secretary, Chennai as mandated under Schedule V, Part C ,Clause 10(i) of SEBI (Listing Obligations and Disclosure requirements) Amendments Regulation, 2018.**

(j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year : **NA**

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.] – Disclosed in Financials.

(l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year – 0

b. number of complaints disposed of during the financial year -0

c. number of complaints pending as on end of the financial year.-0

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof: NA

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 2019-20.

Place : Chennai
Date: May 18, 2020

Ajit Isaac
Chairman

Practicing Company Secretary's Certificate on Corporate Governance

To the Members of Allsec Technologies Limited

I have examined the compliance of conditions of Corporate Governance by Allsec Technologies Limited (hereinafter referred to as 'the Company'), for the year ended March 31, 2020 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For **Mohan Kumar & Associates**

Place: Chennai
Date: May 16, 2020

A. Mohan Kumar
Practicing Company Secretary
Membership No.: FCS 4347
Certificate of Practice Number: 19145
UDIN: F004347B000246754

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry trends affecting our business

The recent outbreak of Covid-19, which led to a Country wide lockdown, poses a challenge and has altered the outlook of the Indian economy in the short term. The Indian economy is expected to contract by 4.5% in FY'21 as per IMF reports. However, India is expected to bounce back in 2021 and in the long term. The Government of India and the Reserve Bank of India have been working in tandem to revive the economy and have introduced monetary as well as fiscal stimulus packages. These measures could decelerate the current slowdown.

The Global BPM market size stood at US$221.5 billion in CY2019 and is projected to reach US$405.6 billion by CY2027, registering a CAGR of 8% from 2020-27. Enhanced operational efficiency, improved customer service, innovation, flexibility and cost saving is expected to contribute to this growth. The Indian BPM industry revenue grew by 8.2% to reach US$38 billion and domestic revenues grew by 6.5% to reach US$44billion. Key trends like the advent of Robotics Process Automation (RPA), Adaptive Case Management, Increasing demand for no-code/low-code BPM and Artificial Intelligence (AI) going mainstream will impact the market.

The global payroll outsourcing market is estimated to grow at a CAGR of 4.4% to reach US $ 10,336 million by 2023. With a market share of ~71%, North America and Europe are the major contributors to the overall growth of the market. The Indian HRO market including HRMS and managed services for FY19 was at ₹ 950 crores and has been growing at a CAGR of 17% over the last 3 years. We expect this to grow to ₹ 1700 crores by FY22. Various trends such as Bundling Payroll Services, Multi-Country Payroll Outsourcing (MCPO), Process Automation and Adoption of Cloud-Based Services are gaining traction and are expected to drive further growth in the segment. Moreover, cloud-based systems are expected to change market dynamics, offering new opportunities to players to easily align payroll with HRMS.

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 two segments globally viz Human Resources Operation (HRO) covering HRMS, payroll services, time and attendance management and Customer Lifecycle Management (CLM) which encompasses lead generation, customer retention and relationship management comprising both voice and non-voice processes. The HRO services and CLM services are delivered from India and the subsidiary in Philippines. 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.

Our response to Covid 19

The sudden and unprecedented Covid-19 outbreak led to a countrywide lockdown from 25 March 2020. At Allsec, we continued to execute on our promise of Winning Together with our Customers, People, and Investors even during the crisis.

We went beyond our call of duty to ensure the safety of our employees, helping them remain productive even while working from home. We also revised our value propositions to suit the changed working conditions, enabling customers to efficiently deal with operations without any inherent challenges. This includes:

- Maintaining a germfree office atmosphere through our fumigation and sanitization services.
- Initiating contactless check-in for clients, customers, and vendors.
- 100% virtual hiring, training and deployment of client processes for our CLM customers.

Further, to ensure business continuity we undertook the following steps:

- Enabled Work from Home by migrating CLM agents to a Work at Home Agent (WAHA) model, ensuring greater productivity and efficiency during the crisis.
- Backend processes were remotely accessible, allowing seamless functioning of payables and receivables.
- Ensured 100% delivery of HRO processes for our Customers.

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 now 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.

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 Telecom and BFSI segment 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 Company has a robust Quality Management (QMS) and Information Security Management system (ISMS) in place to identify potential risks, areas for improvement and further to have smooth business operations. Periodic Management Review meetings are conducted to review these. Latest version of QMS certification i.e. ISO 9001:2015 was renewed in in the last quarter of FY 20. ISO 27001:2013 certification too was renewed with addition of 1 new building each at Bengaluru and Noida in scope. All annual renewals and scope expansions were completed successfully during the year 2019-20.

We accomplished PCI DSS Compliance Certification for Bengaluru and Noida facilities for the first time in view of banking business that we have in these centers. Renewal for the long-existing PCI DSS compliance certifications for Chennai and Manila facilities where completed. Additionally, we got our Chennai facility certified for HIPAA in view of new healthcare business and future business focus on healthcare vertical. HIPAA is -Health Insurance Portability and Accountability Act, a certification needed in line with this US act for US health care business.

General Data Protection Regulation (GDPR) is a regulation in EU law on data protection & privacy for all individuals within the European Union (EU). It also addresses the requirements to be fulfilled for export of personal data from EU to outside the EU. This Act is applicable to all entities which can be located anywhere in the world and have to mandatorily deploy the GDPR framework and controls if they collect or process personally identifiable information (PII) of EU citizens or those residing in EU. We established GDPR framework couple of years ago. We continued strengthening the controls and our system in line with this regulation for the business lines it is applicable.

Capacity

Today, Allsec has a pan India presence and a capacity of over 3200 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 120 seats in USA.

THREATS

Attrition:

While attrition is an industry wide concern, the Company recognises the need to take proactive measures to ensure that we have an uninterrupted supply of right talent and have increased focus and rigor on retaining them through active engagement measures.

In order to maintain a seamless pipeline of talent, the Company has tied up with several skill development institutes. This ensures a steady supply of skilled talent with a good language mix, especially for the CLM business. Our recruitment team conducted over 25 campus drives at various colleges across the country for both CLM & HRO hiring. We also organised over 40 seminars at educational institutions to help bridge the gap between corporates and universities/colleges and improve brand recall and build our employer brand. We also revamped our Referral policy and introduced a diversity bonus to increase gender ratios. In order to improve the employee engagement and retention various interventions were undertaken. These include Employee Engagement Survey to gauge employee satisfaction levels and initiate improvement actions, frequent talks/ webinars on health & employee wellbeing conducted at regularly by distinguished medical professionals.

RISKS ANDCONCERNS

BUSINESS RISKS

The business risks involved in our industry are varied. The CLM International business is affected by the global slowdown and the Covid Pandemic. 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 continues to have a lower Capacity Utilization. We have teams in US and will keep putting efforts to grow this business.

The CLM Domestic business has been competitive and while there is pricing pressure, your Company has been able to provide superior value added services which has helped in retaining existing customers and also winning new customers. We now have good capacity utilization in this business. The plan is to keep looking for strategic contracts where we can command higher rates and make this business more profitable.

HRO division has been growing organically for us and this will continue in the coming years too. The average realisation per payslip has remained at similar levels, however the Company believes that with higher competition the price may be under pressure in the coming years. We believe that our efforts in technology will help us in being a key differentiator in the market and our superior service delivery standard will strengthen existing client relationships.

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. Our HRO International business also has been increasing the last year. As a strategy we continue to focus on increasing the share of our export revenues 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 counties, 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, especially in the CLM segment are heavily dependent on manpower our margins may be impacted if there are increases in salaries on account of revision in minimum wages 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 68.37 and a high of INR 76.15. 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.

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. With the impact of Covid pandemic, the customer credit risk in the near term will be higher than past. There is a regular follow-up process to ensure that amounts due are billed in time and collections received in time. Periodic 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 equipment, 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 BPO 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 4 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 (IFC) 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 31st March 2020, total number of employees stood at 3,372 which is an increase of 245 from the previous year end figure of 3,127.

DISCUSSION ON FINANCIAL AND OPERATIONAL PERFORMANCE AND FINANCIAL POSITION (STANDALONE):

The following discussion is based on our audited standalone, Rupee denominated Financial Results pertaining to Financial Year ended 31st March, 2020. The financial statements of Allsec Technologies Limited ("the Company")are prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the Financial Statements. The discussion should be read in conjunction with the Audited Standalone Financial statements of the Company and notes on Accounts including significant Accounting Policies, thereto.

RESUTS OF OPERATIONS - PERFORMANCE SUMMARY

The following table gives an overview of the stand alone financial results of the company:

	2019-20		2018-19		% increase / (decrease) over previous year
	INR In Lakhs	% to Total revenue	INR In Lakhs	% to Total revenue	
Income					
Income - Operations	20,133	97	15,317	96	31
Income - Others	540	3	680	4	(21)
A) Income - Total	**20,673**		**15,997**		**29**
Costs					
Connectivity costs	414	2	344	2	20
Employee benefit expenses	12,972	63	9,010	56	44
Other expenses	2,631	12	2,956	18	(11)
B) Costs - Total	**16,017**	**77**	**12,310**	**77**	**30**
C) Profit before interest, tax, depreciation and amortisation and exceptional item	**4,656**	**23**	**3,687**	**23**	**26**
Depreciation and amortisation	1,455	7	408	3	257
Finance costs	174	1	20	0	770
Interest Income	(5)	0	(63)	0	(92)
D) Profit/ (Loss) before tax and exceptional item	**3,032**	**15**	**3,322**	**21**	**(9)**
Exceptional Item	1,214	6	1,307	8	(7)
E) Profit/ (Loss) before tax	**1,818**	**9**	**2,015**	**13**	**(10)**
Tax	873	4	1,064	7	(18)
F) Profit/ (Loss) after tax	**945**	**5**	**951**	**6**	**(1)**

Earnings per share data (Basic / Diluted)

YE 31 March 2020	₹ 6.20 / 6.20
YE 31 March 2019	₹ 6.24 / 6.24

ANALYSIS OF PROFIT AND LOSS ACCOUNT

i. Income from Operations

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

₹ In Lakhs

Revenue Segment	31-Mar-2020	% of Total Revenue	% of Growth	31-Mar-2019	% of Total Revenue
CLM – International	3,670	18%	12%	3,278	21%
CLM – Domestic	7,199	36%	16%	6,203	41%
HRO – Exports	1,718	9%	34%	1,282	8%
HRO – Domestic	7,546	37%	66%	4,554	30%
Total	**20,133**	**100%**	**31%**	**15,317**	**100%**

The total revenue growth of the Company for the FY 20 was 31% (FY 19 - 19%) compared to the previous year. The significant contributors of the recorded revenue growth are additional revenue from newly acquired compliance business from Coachieve and organic growth in existing business.

There was an increase of 12% in the revenue from CLM - International revenue and 16% in the CLM-Domestic revenue with addition of new customers and higher volume of business handled for existing customers.

HRO domestic business has continued to grow organically and also due to acquisition of Coachieve's Compliance business in September 2019. This has led to an overall increase of 66% over previous year.

HRO exports business has grown by 34% during the year under review.

ii. Other Income (excluding interest income)

For the Management discussion, Income from Interest forming part of other income amounting to ₹ 5 Lakh in the current year (₹ 63 Lakh in the previous year) has been considered as a separate line item.

Other income decreased from ₹ 680 Lakh in the previous year to ₹ 540 Lakhs in the Current year mainly on account of Decrease in Gain (net) from current investments by INR 213 lakhs which partially got offset by increase in net exchange gain during the current year amounting to ₹ 46 Lakh.

iii. Expenditure

It is pertinent to reiterate here that during the Current year, the Company acquired compliance business from Coachive due to which there were significant increase in the revenue and corresponding increase in the total expenses as well.

During the year there was an increase in total expenditure by ₹ 4,908 lakhs. However the total expenses as a percentage on total revenue remains steady.

Composition of total expenses and brief analysis thereon are given below:

₹ In Lakhs

Cost Category	31-Mar-20	% of Revenue	31-Mar-19	% of Revenue
Connectivity costs (Note 1)	414	2%	344	2%
Employee costs and benefits (Note 2)	12,972	63%	9,010	56%
General and administration expenses (Note 3)	2,631	12%	2,956	18%
Finance charges (Note 3)	174	1%	20	0.1%
Depreciation (Note 3)	1,455	7%	408	3%
	17,646		**12,738**	

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

Note 2: The following are the significant reason for the increase in Employee Cost during the current year :

a) During the current year,there has been an overall increase of around 8% in headcount which on account of increased business volume in the CLM Domestic and HRO business which resulted in additional employee cost of approximately ₹ 162 lakhs .

b) Employee Cost for the newly acquired Coachieve's HRO compliance business increased the employee cost during the current year by ₹ 2,216 Lakh while comparing to previous year. There was corresponding increase in the revenue of respective business segment from the newly acquired business.

c) Another factor for the increase of employee cost during the current year was Salary increment to the employee granted amounting to ₹ 383 Lakh.

Note 3: The Increase in the General and Admin Cost are primarily due to the following :

a) During the Current Year the Company started adopting Ind AS-116 on Leases as notified by MCA effective from 01st Apr, 2019, opting modified retrospective method (vide Note 2.10 under Significant accounting Policies). Due to the said adoption, the rental expenses under General and Admin Cost decreased by ₹ 891 Lakh (11%) and correspondingly the Depreciation cost increased by ₹ 1,011 Lakh and the Finance Cost increased by ₹ 154 Lakh as an impact of the adoption of the said new accounting standard

b) There was increase in other General and Admin cost like Power and Fuel, Repairs and Maintenance and Travel Expenses etc. in line with the increase in the business volume and addition new business line acquired from Coachive.

Exceptional Item:

During the current year, based on the impairments assessment tested by the Company on its investments in the subsidiary in line with its accounting policies, and as an outcome of the assessment, the Company has made a provision of INR 1,214 Lakh toward impairment of investment made in its US subsidiary Allsec Tech Inc which was to the tune of the carrying amount of the said investments in books as at the reporting date (Please refer Note 37 of the Financials on this).

Tax expense

During this financial year current tax decrease from ₹ 890 Lakh to ₹ 847 Lakh and Deferred Tax decreased from ₹ 174 Lakh to ₹ 26 Lakh due to which the Effective Tax Rate of the Company decreased from 53% to 48%.

FINANCIAL POSITION - 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, 2020 stands at INR 1,524 Lakhs and has remained constant over the previous Balance sheet date.

2. Other equity

The following are the components of other equity. Brief note on the movement of the individual items are given below.

Description	As at 31-03-2020	As at 31-03-2019	Changes over previous year
Securities Premium	12,019	12,019	-
Capital Reserve	(2,175)	251	(2,426)
General Reserve	1,413	1,413	-
Retained Earnings	1,280	2,267	(987)
Total	**12,537**	**15,950**	**(3,413)**

The total other equity of the Company as at 31-03-2020 was ₹ 12,537 Lakh as against ₹ 15,950 Lakh in the previous year. There was decrease of ₹ 3,413 Lakh in the other equity during the current year. The following are the reason for the changes in the other equity :

a. During the Current year the Company acquired the Compliance business of Coachieve Solutions P Ltd and accounted the business combination under pooling of interest method as laid down by Ind AS 103 and Appendix C thereto. Accordingly the reserve arising out of the business combination amounting to ₹ 2,426 Lakh got debited to Capital Reserve

b. Profit of the current year amounting to ₹ 945 Lakh added to the opening balance of the retained earnings and dividend payout amounting to ₹ 1,524 Lakh, Dividend Distribution Tax amounting to ₹ 310 Lakh and adjustments of re-measurement of defined benefits plans for employee benefits amounting to ₹ 98 Lakh (net of taxes).

(Please refer Note 12 and 36 of the stand-alone Financial Statements)

3. Non-Current Financial Liabilities - Borrowings

Secured loan of INR 18 lakhs represents balance outstanding towards Finance lease obligation (Hypothecation loans). This has decreased by INR 27 lakhs during the year primarily due to repayments during the year.

4. Lease liabilities- non current

Lease liabilities amounting to ₹ 1,019 Lakh represents the liabilities arising from Leases. Pursuant to the adoption of Ind AS-116 on Leases effective from 01-04-2019, the Company classified the present value of the unpaid lease payments and finance charges thereto as lease liabilities, as prescribed in the said accounting standard. The non –current portion represents obligation against the lease liabilities fall due beyond 12 months from the reporting date.

5. Non-current liabilities - Provisions

Non-Current provisions represents Provision for Gratuity benefits. During the current year the liability increased by ₹ 127 Lakh.

6. Trade Payables

Trade payables being payable to suppliers of goods and services, increased during the year by ₹ 950 Lakh mainly due to changes to the payment cycle for vendors.

7. Lease liabilities- current

Lease liabilities amounting to ₹ 592 Lakh represents the current portion of liabilities arising from Leases. Pursuant to the adoption of Ind AS-116 on Leases effective from 01-04-2019, the Company classified the present value of the unpaid lease payments and finance charges thereto as lease liabilities, as prescribed in the said accounting standard. The current portion represents obligation against the lease liabilities fall due within next 12 months from the reporting date.

8. Other current financial Liabilities

Other Finance lease obligations comprises of Current Obligation towards Finance Lease liabilities (payable within 12 months from end of the reporting period) and liabilities towards foreign Currency Forward contract. During the current year the current financial liabilities increased by ₹ 74 Lakh due to liabilities towards foreign currency forward contract amounting to ₹ 81 Lakh which partially got offset with reduction in the current finance lease obligations by ₹ 7 Lakh

9. Other current liabilities

Other Current Liabilities comprises of Advances from Customers, Payable to Exchequer (statutory dues) falling due for payment in the subsequent month and Unclaimed dividend (Refer Note 17). During the current year there was slight increase of this liabilities for an amount of ₹ 9 Lakh which was mainly due to increase of Statutory dues (taxes and levies) on the increased business volumes, falling due for remittance in due course.

10. Other current provisions

Current Provisions comprises of Gratuity liabilities and liabilities towards Compensated absences to employees. During the Current year the increase in the liability amounting to ₹ 26 Lakh was due to increased liabilities for compensated absences in line with increase in head counts

11. Property, Plant and equipment

Additions to Fixed Assets amounted to INR 102 lakhs (previous year: INR 376 lakhs) in tangible fixed assets towards additions to call centre equipment and Computers and Servers –amounting to ₹ 19 lakhs, Office equipment amounting to ₹ 45 lakhs, Furniture and Fittings amounting to ₹ INR 33 lakhs and lease hold improvement of INR 5 lakhs. Apart from this, there were assets additions as part of Business Combinations (acquisition of compliance business from Coachieve) amounting to ₹ 33 Lakh taken place under tangible fixed assets. During the current year the disposal of used assets like vehicles, Furniture and Fittings etc. at cost amounting to ₹ 109 Lakh were made.

After providing for depreciation of INR 340 lakhs (Previous year: INR 302 lakhs) for the year, the net block of fixed assets stood at INR 640 lakhs as on March 31, 2020 compared to ₹ 862 lakhs as at March 31, 2019.

12. 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 122 lakhs.

The closing net block of software is INR 318 lakhs as at 31 March 2020 as against INR 298 lakhs for the year ended 31 March 2019.

There is an intangible asset under development whose value as on 31st March 2020 is INR 15 lakhs.

13. Right of use asset- (ROUA)

The Company adopted Indian Accounting Standard-116 (Ind-AS 116) on Leases as notified by Ministry of Company Affairs, effective from 01-04-2019 and opted for modified retrospective method, one of the prescribed option in the standard. Accordingly the Right Of Use of Asset (ROUA) being an asset that represents a lessee's right to use an underlying asset for the lease term, recognized under Cost model wherein the cost represents the present value of lease payments less any incentives and any initial indirect cost incurred thereto. The ROUA also subject to depreciation and impairment tests like other assets. The balance of ROUA as at 31-03-2020 stood at ₹ 1,558 Lakh

14. Non-Current Investments

Total Investments represent the amount of equity capital invested in three subsidiaries. During the year the Company has made an impairment of INR 1,214 Lakhs towards its investment in Allsectech Inc, USA. The details are mentioned under Exceptional item in the MD&A.

15. Other Financial Assets- Non Current

Other Financial Assets represents Security Deposits made with Suppliers of Goods and Services and non-current category represents the maturity/refund tenure of the security deposits falling beyond 12 months from the reporting date. During the Current year there was an increase of ₹ 49 Lakh mainly due to Security Deposit made for new premise taken on rent at Bengaluru

16. 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 1,244 lakhs as against INR 1,441 lakhs on March 31, 2019 representing the deferred tax charge of INR 26 lakhs taken for the current year and MAT credit utilization of INR 222 lakhs.

17. Non-Current Tax Asset (Net)

Advance tax and tax deducted at source by our customers stood at INR 1,347 lakhs in current year as compared to INR 864 lakhs in last year due to the buildup in TDS pending completion of assessments.

18. Current Investments

Current investments represent balances invested in mutual funds. The Balance as at 31 March 2020 is INR 3,339. lakhs(previous year: INR 8,239. lakhs).

19. Trade Receivables

Current Trade receivable remained at INR 3,344 lakhs as at March 31, 2020 as against INR 2,339 lakhs as at March 31, 2019.

The sundry debtor in terms of days of sales (DSO) as at 31 March 2020 is 60 days (56 days for previous year).

20. Cash and Bank Balances

Cash and Bank balances stood at INR 3,846 lakhs as at 31 March 2020 as against INR 1,467 lakhs as at 31 March 2019. This represents deposit accounts including margin money deposits amounting to INR 135 lakhs (previous year: INR 33 lakhs) and yearend cash and bank balances of INR 3,711 lakhs as at end March 2020 as compared to INR 1,434 lakhs as at end March 2019.

The increase in cash and cash equivalents of INR 2,277 lakhs during the year represented by

a) Net Cash inflow from operations amounting to INR 2,904 lakhs (previous year cash inflow of INR 1,928 lakhs)

b) Net cash inflow from Investing activity amounted to INR 2,706 lakhs (previous year net cash used of INR 931 lakhs) and

c) Net cash used in financing activity amounted to INR 3,384 lakhs (previous year net cash used of INR 962 lakhs)

21. Other financial assets

Other financial assets stood at INR 1,278 lakhs in March 31, 2020 as against INR 958 lakhs in previous year. The increase during the year amounting to ₹ 320 Lakh primarily on account of incremental unbilled revenue in current year amounting to ₹ 173 Lakh due to additional business volumes and newly acquired line of business and net increase in the other advances of ₹ 147 Lakh.

22. Other current assets

Other Current assets were at INR 219 Lakhs compared to INR 181 lakhs in previous year mainly due to increase in Prepaid expenses which were at INR 171 lakhs compared to INR 162 lakhs in previous year and advance to suppliers at INR 40 lakhs as on 31st March 2020.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Allsec Technologies Limited (hereinafter called "the Company") bearing Corporate Identification Number L72300TN1998PLC041033. 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 M/s. Allsec Technologies Limited'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, 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:

I 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, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; The Company did not issue any security during the financial year under review and hence not applicable;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable to the Company during the financial year under review;

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; During the financial year under review the Company has not issued any debt securities and hence not applicable;

g) 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; The Company is not registered as transferor to issue and Share Transfer Agent during the financial year under review and hence not applicable;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the financial year under review as the Company has not delisted its equity shares from any stock exchange;

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; The Company has not bought back any of its securities during the financial year under review and hence not applicable; and

j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

k) The Laws as applicable specifically to the Company are as under:

(i) Software Technology Parks of India and its regulations;

(ii) 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 (BSE) and National Stock Exchange of India Limited (NSE).

I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.

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

I further report that:

a) 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.

b) Adequate Notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through where there were no dissenting members. I further report that there are adequate systems and process 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, the following major transactions were identified:-

1. Conneqt Business Solutions Limited ("Acquirer") along with the Quess Corp Limited ("PAC") have made an open offer for acquiring 39,61,965 (Thirty Nine Lakh Sixty One Thousand Nine Hundred and Sixty Five only) fully paid-up equity shares of face value of ₹ 10 (Indian Rupees Ten only) each representing 26% (Twenty Six per cent) of the Voting Share Capital on 17th April 2019. Date of opening the offer was 21st June 2019 and Date of closing the offer was 4th July 2019. The actual equity shares acquired by way of open offer is 18,33,817.

2. The Material details of Offer are as under:

   a) This Offer is a mandatory open offer pursuant to the execution of Share Purchase Agreements to acquire in excess of 25% of the equity share capital of the Target Company and control over the Target Company.

   b) Selling Shareholders – Mr. Ramamoorthy Jagadish, Mr. Adiseshan Saravanan and M/s. First Carlyle Ventures Mauritius.

   c) Consideration – ₹ 320 (Indian Rupees Three Hundred Twenty only) per Equity Share

   d) Manager to the Offer – M/s. Axis Capital Limited.

3. The Company has obtained the approval of Board of Directors for payment of Interim dividend at the rate of ₹ 10 per Equity share on 23-05-2019.

4. Mr. Ramamoorthy Jagadish, Whole-time Director and Chief Executive Officer (CEO) of the Company has resigned from his post with effect from 06-06-2019.

5. The Company has obtained the approval of Board of Directors to maintain Books of Accounts at the corporate office of the Company at 46C, Velachery Main Road, Velachery, Chennai – 600042 on 06-06-2019.
6. As a consequence of acquisition, the Company has amended its following policies vide BM dated 06-06-2019:
   a. Code of Conduct for trading by insiders.
   b. Code of practices and procedures and legitimate purpose for Fair Disclosure of Unpublished Price Sensitive Information.
   c. Policy on Related Party Transactions.
   d. Policy on Determination of Materiality of Events or Information.
   e. Policy for Determination of "Material Subsidiaries".
7. The Company has obtained the approval of Board of Directors to change the Registered Office of the Company to 46C, Velachery Main Road, Velachery, Chennai – 600042 on 22-07-2019.
8. In supersession of earlier appointment, the Company has appointed M/s. Ernst and Young, Chartered Accountants as Internal Auditor of the Company for the Financial Year 2019-2020 vide Board Meeting dated 22-07-2019.
9. Board of Directors of the Company gave their approval to purchase "HR Compliance Business" of Coachieve Solutions Private Limited on 10-09-2019.
10. Mr. Ashish Johri was appointed as CEO of the Company with effect from 01-10-2019.
11. Mr. Parthasarathy Ragunath, Chief Financial Officer (CFO) of the Company has resigned with effect from 31-01-2020.
12. Mr. Nataraj Lakshmipathy was appointed as CFO of the Company with effect from 01-02-2020.
13. The request from Mr. Ramamoorthy Jagadish and Mr. Adiseshan Saravanan to reclassify their category of shareholding as "Public shareholder" from "Promoter Shareholder" has been approved by the Board on 20-03-2020.
14. Change in composition of Board of Directors during the Financial Year, as a consequence of acquisition, is given in "Annexure B".
15. Reconstitution of Audit Committee, Stakeholder Relationship Committee, Corporate Social Responsibility and Nomination and Remuneration Committee during the Financial Year is given in "Annexure C".
16. The Audit Committee has been reconstituted twice during the period under review. Composition of Audit Committee as on 31-03-2020 is given in "Annexure C".

For **Mohan Kumar & Associates**

Place: Chennai
Date: May 16, 2020

A. Mohan Kumar
Practicing Company Secretary
Membership No.: FCS 4347
Certificate of Practice Number: 19145
UDIN: F004347B000246754

Annexure A to Form No. MR-3

To

THE MEMBERS,
ALLSEC TECHNOLOGIES LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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 process and practices, I have followed provide a reasonable basis for my 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 procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mohan Kumar & Associates**

Place: Chennai
Date: May 16, 2020

A. Mohan Kumar
Practicing Company Secretary
Membership No.: FCS 4347
Certificate of Practice Number: 19145
UDIN: F004347B000246754

Annexure B to Form No. MR-3

Change in Composition of Board of Directors

S.No.	Name	Designation	Date of Appointment	Date of Appointment at Current Designation	Date of Cessation
1.	Mr. Anantha Narayanan Thiagarajan	Independent Non-Executive Director	20-10-2005	20-10-2005	06-06-2019
2.	Ms. Lalitha Sankaran	Independent Non-Executive Director	27-04-2015	07-08-2015	06-06-2019
3.	Mr. Chengalath Jayaram	Independent Non-Executive Director	20-05-2016	11-08-2016	06-06-2019
4.	Mr. Desikachari Padmanabhan	Independent Non-Executive Director	20-05-2016	11-08-2016	01-07-2019
5.	Mr. Adiseshan Saravanan	Director	24-08-1998	24-08-1998	06-06-2019
6.	Mr. Ramamoorthy Jagadish	Whole-time Director & CEO	24-08-1998	24-08-1998	06-06-2019
7.	Mr. Subrata Kumar Nag	Non-Executive Director	29-05-2019	30-09-2019	31-03-2020
8.	Mr. Ajit Abraham Isaac	Non-Executive Director	29-05-2019	30-09-2019	-
9.	Mr. Sanjay Anandaram	Independent Non-Executive Director	06-06-2019	30-09-2019	-
10.	Mr. Milind Chalisgaonkar	Independent Non-Executive Director	06-06-2019	30-09-2019	-
11.	Ms. Rallabhandi Lakshmi Sarada	Independent Non-Executive Director	29-08-2019	30-09-2019	-
12.	Mr. Krishna Suraj Moraje	Additional Director	24-01-2020	24-01-2020	-

Annexure C to Form No. MR-3

1. Reconstitution of Audit Committee:

S. No.	Name	Designation	Position held in the Committee
1.	Mr. Milind Chalisgaonkar	Chairperson, Independent Director	06-06-2019
2.	Mr. Sanjay Anandaram	Member, Independent Director	06-06-2019
3.	Mr. Subrata Kumar Nag	Member, Non-Independent Director	06-06-2019
4.	Ms. Rallabhandi Lakshmi Sarada	Member, Independent Director	10-09-2019

2. Reconstitution of Nomination and Remuneration Committee:

S. No.	Name	Designation	Position held in the Committee
1.	Mr. Sanjay Anandaram	Chairperson, Non-Executive Director	06-06-2019
2.	Mr. Ajit Abraham Isaac	Member, Non-Executive Director	06-06-2019
3.	Mr. Milind Chalisgaonkar	Member, Non-Executive Director	06-06-2019
4.	Mr. Subrata Kumar Nag	Member, Non-Executive Director	06-06-2019

3. Reconstitution of Stakeholders Relationship Committee:

S. No.	Name	Designation	Position held in the Committee
1.	Mr. Ajit Abraham Isaac	Chairperson, Non-Executive Director	06-06-2019
2.	Mr. Sanjay Anandaram	Member, Non-Executive Director	06-06-2019
3.	Mr. Subrata Kumar Nag	Member, Non-Executive Director	06-06-2019

4. Reconstitution of Corporate Social Responsibility Committee:

S. No.	Name	Designation	Position held in the Committee
1.	Mr. Ajit Abraham Isaac	Chairperson, Non-Executive Director	06-06-2019
2.	Mr. Milind Chalisgaonkar	Member, Non-Executive Director	06-06-2019
3.	Mr. Subrata Kumar Nag	Member, Non-Executive Director	06-06-2019

Form AOC-1

(Pursuant to first provisio 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, Phillippines**	**Retreat Capital Management Inc, USA**
2	The date since when subsidiary was acquired	**14th September 2000**	**23rd November 2007**	**16th February 2011**
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	**1-4-19 to 31-3-20**	**1-4-19 to 31-3-20**	**1-4-19 to 31-3-20**
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD Ex. Rate 75.665	Philippine PESO Ex. Rate 1.4705	USD Ex. Rate 75.665
5	Share Capital	121,406,592	78,320,388	2,147,812
6	Reserves and surplus	(20,157,033)	806,366,499	(9,909,497)
7	Total assets	168,606,314	1,002,236,456	4,303,853
8	Total Liabilities	67,356,755	117,549,569	12,065,538
9	Investments	-	-	-
10	Turnover	100,471,039	965,339,505	39,669,501
11	Profit before taxation	(150,249,617)	380,616,300	38,458,516
12	Provision for taxation	-	25,230,069	10,018,168
13	Profit after taxation	(150,249,617)	355,386,231	28,440,347
14	Proposed Dividend	-	-	-
15	Extent of shareholding (in percentage)	**100%**	**100%**	**100%**

PART- B Associates and Joint Ventures

As on 31st March 2020, the company does not have any associate Company and or/Joint venture.

Place : Chennai
Date: May 18, 2020

Ajit Isaac
Chairman

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 2018-2019
1	Mr.R Jagadish (ex- CEO & Director)	85,44,567	1,89,384	45.12	NIL
2	Mr. Ashish Johri (CEO)	59,27,452	1,89,384	31.30	NIL
3	Mr. P Raghunath (ex- CFO)	46,89,044	1,89,384	24.76	9.18%
4	Mr.Nataraj Lakshmipathy (CFO)	10,24,687	1,89,384	5.41	NIL
5	Mr.Gagan Preet Singh (CS)	25,70,511	1,89,384	13.57	8.57%

b. The Median Remuneration for the year 2019-20 : ₹ 1,89,384

c. The number of permanent employees in the Rolls of the Company : 3372

d. Percentage of Increase in the median remuneration of eligible employees in the financial year : 10.77%

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 2019-20
Average percentile increase already in the salaries of employees other than the managerial personnel	10.77%
Percentile increase in the managerial remuneration	26.11%
Comparison of (A) & (B)	15.34%
Justification	NIL

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 in the website link https://www.allsectech.com/investor-information.

g. Statement of Employees drawing more than the value prescribed Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – NIL

FORMAT OF THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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 :https://www.allsectech.com/investor-information
2.	The Composition of the CSR Committee	Mr. Ajit Isaac (Chairman) Mr. Subramanian Ramakrishnan (Member) Mr. Milind Chalisgaonkar (Member)
3.	Average net profit of the Company for last three financial years.	₹ 2208 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 43.84 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:	 43.84 Lakhs Completely Spent 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 (Lakhs)**	**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 (Lakhs)**	**Amount spent: Direct or through implementing agency***
1.	Vidya Sagar	Promoting education, including special education and employment enhancing vocational skills specially among children, women, elderly and the differently abled and livelihood enhancement project	Chennai, Tamil Nadu	3.00	Direct Expenditure: ₹ 3.00 Lakhs	3.00	Direct

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 (Lakhs)**	**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 (Lakhs)**	**Amount spent: Direct or through implementing agency***
2.	Careworks Foundation	Multiple CSR activities including eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water.	PAN India	40.84	Direct Expenditure : ₹ 40.84 Lakhs	40.84	Direct

Responsibility Statement

Implementation and Monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Ajit Isaac
(Chairman CSR Committee)

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 hereby certify that -

a. We have reviewed financial statements for the period ended March 31, 2020 and that to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal control over Financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company 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 proposed to take to rectify these deficiencies.

d. We have indicated wherever applicable, to the Auditors and the Audit Committee:

i. significant changes in internal control over Financial reporting during the quarter;

ii. significant changes in accounting policies during the quarter, if any and that the same have been disclosed in the notes to the financial statements and

iii. 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 Company's internal control system.

Place : Chennai
Date: May 18, 2020

Ashish Johri
CEO

Nataraj Lakshmipathy
Chief Financial Officer

ALLSEC TECHNOLOGIES LIMITED

Standalone Financial Statements for the year ended March 31, 2020

Independent Auditor's Report

To The Members of Allsec Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Allsec Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key audit matter	Auditor's Response
1	**Revenue Recognition** Revenue from contracts with customers for the year ended March 31, 2020 is ₹ 20,133 lakhs. Revenues from such contracts is recognised and measured based on (1) efforts incurred multiplied by agreed rate in the contract with customers and or (2) the unit of work delivered multiplied by agreed rate in the contract with customers. These contracts are subject to revision periodically for (1) rate agreed; (2) efforts due to deployment of additional resources and/ or (3) rate and efforts as more fully described above. Revenue is recognised only based on customer acceptances for delivery of work. Given the periodical changes to contracts with customers, there is significant audit effort to ensure that revenue is recorded based on (1) contractual terms which are legally enforceable and (2) the work delivered is duly acknowledged by the customer.	**Principal audit procedures performed:** We understood and evaluated the Company's process for recording and measuring revenues and compared that to the Company's accounting policies to ensure consistency. We tested the effectiveness of controls over (1) enforceability of contracts including inspecting that key terms in the contracts are agreed with customers and (2) revenue is recognised only based on agreed terms and customer acceptances for work delivered. For a sample of contracts, we performed the following procedures: We tested that revenue recognised for new contracts and revision to existing contracts was based on contractual terms agreed with customers multiplied by efforts or unit of work delivered duly acknowledged by customer. We tested unbilled revenues at year end by comparing subsequent invoicing to customer acknowledgement for delivery of service.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report (but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report , and the Annual report, which is expected to be made available to us after that date.
- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 0080272S)

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACY1532

Place: Hyderabad
Date: 18 May 2020
MM/RB/2020/18C

Annexure A to Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Allsec Technologies Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 0080272S)

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACY1532

Place: Hyderabad
Date: 18 May 2020
MM/RB/2020/18C

Annexure B to Independent Auditor's Report

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

(i) In respect of Company's Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building, which are reported under Property, Plant and Equipment and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax, Goods and Service Tax as on 31 March 2020 on account of disputes.

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

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

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 0080272S)

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACY1532

Place: Hyderabad
Date: 18 May 2020
MM/RB/2020/18C

Balance Sheet

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

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	3	640	862
	(b) Other intangible assets	3	318	298
	(c) Intangible assets under development		15	-
	(d) Right of use asset (ROUA)	26	1,558	-
	(e) Financial assets			
	(i) Investments	4	1,020	2,234
	(ii) Other financial assets	5	474	425
	(f) Deferred tax assets	25.2	1,244	1,441
	(g) Non-current tax assets (net)	6	1,347	864
	(h) Other non-current assets	7	4	-
	Total non-current assets		**6,620**	**6,124**
II	Current assets			
	(a) Financial assets			
	(i) Investments	4	3,339	8,239
	(ii) Trade receivables	8	3,344	2,339
	(iii) Cash and cash equivalents	9	3,711	1,434
	(iv) Bank balances other than cash and cash equivalents	10	135	33
	(v) Other financial assets	5	1,278	958
	(b) Other current assets	7	219	181
	Total current assets		**12,026**	**13,184**
	Total Assets (I + II)		**18,646**	**19,308**
B	**EQUITY AND LIABILITIES**			
III	**Equity**			
	(a) Equity share capital	11	1,524	1,524
	(b) Other equity	12	12,537	15,950
	Total equity		**14,061**	**17,474**
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	18	45
	(ii) Lease liabilities	26	1,019	-
	(iii) Other financial liabilities	14	-	19
	(b) Provisions	15	449	322
	Total non-current liabilities		**1,486**	**386**
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	16		
	(a) Total outstanding dues of micro enterprises and small enterprises		-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,856	906
	(ii) Lease liabilities	26	592	-
	(iii) Other financial liabilities	14	103	29
	(b) Other current liabilities	17	286	277
	(c) Provisions	15	262	236
	Total current liabilities		**3,099**	**1,448**
	Total equity and liabilities (III + IV + V)		**18,646**	**19,308**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Suraj Krishna Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai

Statement of Profit and Loss

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

	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	**REVENUE FROM OPERATIONS**	18	20,133	15,317
II	Other income	19	545	743
III	**Total income (I + II)**		**20,678**	**16,060**
IV	**Expenses**			
	Employee benefits expense	20	12,972	9,010
	Finance costs	21	174	20
	Depreciation and amortisation expense	3	1,455	408
	Other expenses	22	3,045	3,300
	Total expenses		**17,646**	**12,738**
V	**Profit before exceptional items and tax (III - IV)**		3,032	3,322
VI	**Exceptional items**			
	Provision for impairment of investment in subsidiary	37	1,214	1,307
VII	**Profit before tax (V - VI)**		**1,818**	**2,015**
VIII	**Tax expense**			
	(a) Current tax (including tax of earlier years)	25.1	847	890
	(b) Deferred tax	25.2	26	174
			873	**1,064**
IX	**Profit for the Year (VII - VIII)**		**945**	**951**
X	**Other comprehensive income:**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(149)	(53)
	- Income tax relating to items that will not be reclassified to profit or loss		51	18
			(98)	**(35)**
	Items that will be reclassified subsequently to profit or loss		-	-
	Total other comprehensive loss for the period		**(98)**	**(35)**
XI	**Total comprehensive income for the year (IX + X)**		**847**	**916**
XII	**Earnings per equity share (Face value of ₹ 10 each)**	28		
	(a) Basic (in ₹)		6.20	6.24
	(b) Diluted (in ₹)		6.20	6.24

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

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Place: Bengaluru

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Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before income tax	1,818	2,015
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1,455	408
Unrealized foreign exchange (gain)	(154)	(72)
Provision for impairment of investments in subsidiary	1,214	1,307
Profit on sale of property, plant and equipment (net)	(2)	9
Provision for loss allowances	16	7
Finance costs	174	20
Net gain on current investments	(357)	(570)
Interest Income		
- on fixed deposits	(5)	(2)
- on loans to subsidiary	-	(61)
Dividend Income	-	(1)
Operating Profit before Working Capital and Other Changes	**4,159**	**3,060**
Working capital adjustments:		
Adjustments for (increase)/decrease in operating assets:		
Trade Receivables	(324)	(26)
Other financial assets	75	(486)
Other assets	(25)	(23)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	893	68
Other financial liabilities	(495)	147
Other liabilities	(101)	71
Provisions	52	144
Cash Generated from Operations	**4,234**	**2,955**
Net income tax paid	(1,330)	(1,027)
Net Cash Flow generated from Operating Activities (A)	**2,904**	**1,928**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. Cash Flow From Investing Activities		
Purchase of Property, plant and equipment	(181)	(569)
Proceeds from sale of Property, plant and equipment	19	5
Investments made on business acquisitions	(1,680)	-
Sale /(Purchase) of current investments (net)	4,543	(372)
Loan to subsidiaries received	-	2
Interest received on fixed deposits	5	2
Dividend income	-	1
Net Cash Flow From / (Used in) Investing Activities (B)	**2,706**	**(931)**
C. Cash Flow Used in Financing Activities		
Borrowings taken	-	13
Repayment of borrowings	(1,379)	(37)
Interest paid	(174)	(20)
Dividend paid (including dividend distribution tax)	(1,831)	(918)
Net Cash Flow used in Financing Activities (C)	**(3,384)**	**(962)**
Net increase in cash and cash equivalents	2,226	35
Cash taken over on business acquisition	130	-
Effect of exchange differences on cash & cash equivalents held in foreign currency	(79)	65
Cash and cash equivalents at the beginning of the year	1,434	1,334
Cash and cash equivalents at the end of the year	**3,711**	**1,434**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	5	3
Balance with banks in current accounts	3,706	1,431
Total cash and cash equivalents	**3,711**	**1,434**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Suraj Krishna Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai

Statement of Changes in Equity

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

A. Equity share capital

Amount

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	1,524	1,524
Changes in equity share capital during the year	-	-
Closing Balance	**1,524**	**1,524**

B. Other equity

Particulars	Reserves and surplus				Total
	General reserve	Retained earnings	Capital reserve	Securities premium	
Balance at 01 April 2018	**1,413**	**2,271**	**251**	**12,019**	**15,954**
Dividend Distribution	-	(762)	-	-	(762)
Dividend Distribution tax on equity shares	-	(158)	-	-	(158)
Profit for the year	-	951	-	-	951
Remeasurement of defined benefits plan (net of taxes)	-	(35)	-	-	(35)
Balance at 31 March 2019	**1,413**	**2,267**	**251**	**12,019**	**15,950**
Dividend Distribution	-	(1,524)	-	-	(1,524)
Dividend Distribution tax on equity shares	-	(310)	-	-	(310)
Profit for the year	-	945	-	-	945
Business combination reserve (Refer Note 36)	-	-	(2,426)	-	(2,426)
Remeasurement of defined benefits plan (net of taxes)	-	(98)	-	-	(98)
Balance at 31 March 2020	**1,413**	**1,280**	**(2,175)**	**12,019**	**12,537**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Suraj Krishna Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai

1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998. 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.

2 Summary of significant accounting policies

2.1 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability."

2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Revenue from contracts with customers

The Company derives revenues primarily from services comprising the CLM and HRO services for customer in India and outside India. Effective 01 April 2018, the Company has adopted Ind AS 115, Revenue from Contracts with Customers, using modified retrospective method, applied to contracts that were not completed as at 01 April 2018. In accordance with modified retrospective method, the comparatives has not been retrospectively adjusted. The following is a summary of the significant accounting policies related to revenue recognition.

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customer at an amount that reflects the consideration the company expects to receive in exchange for those products or services. Agreements with customers are either on a fixed price, fixed time frame or on a time-and-material basis.

Revenue on time-and-material basis contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for one time services, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The contracts with customers generally meet the criteria for considering the principal service and one-time service as distinct performance obligations and consideration for each of such service is clearly specified in the contract, that enables to arrive at the transaction price for each performance obligations which is best evidence of its standalone selling price.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable."

2.7 Property, plant and equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation:

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

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period, whichever is less.

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013. The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advice, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc.

Depreciation is accelerated on property, plant and equipment, based on their condition, usability etc., as per the technical estimates of the Management, where necessary."

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.8 Other intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lite and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses."

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately."

Amortisation

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.

Derecognition of intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised."

2.9 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases with effect from 1 April 2019. The standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-of-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost subject to certain re-measurement adjustments. The Company has adopted this standard using modified retrospective method effective 1 April 2019, and accordingly, the comparatives have not been restated retrospectively. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Further transition adjustments, if any, arising from refinements or authoritative interpretation guidance will be prospectively recognized.

2.11 Foreign currency Transactions

Initial Recognition:

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

Subsequent Recognition:

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:

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

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss."

2.12.1Financial Assets

(a) Recognition and initial measurement

(i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e

All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item."

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(e) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months."

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(f) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income."

2.12.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(c) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(d) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss."

(e) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for capital expenditure. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities."

(f) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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 Investment in Subsidiaries

Investment in equity instruments issued by subsidiaries are measured at cost less impairment. Dividend income from subsidiaries and associates is recognised when its right to receive the dividend is established. The acquired investment in subsidiaries are measured at acquisition date fair value.

2.14 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

Defined Contribution Plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset). If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

Employee defined contribution plans include provident fund and Employee state insurance. All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

2.15 Earnings per equity share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate."

2.16 Taxation

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credit Entitlement:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

2.17 Contingent liabilities, Contingent Assets and Provisions

Provisions are recognized when the Company has a present obligation (legal/ constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

2.18 Segment Reporting

Operating segments reflect the Company’s management structure and the way the financial information is regularly reviewed by the Company’s Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.19 Goods and ServiceTax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.20 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.21 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation
- Provision for disputed matters
- Allowance for Expected Credit Loss
- Fair value of financial assets and liabilities
- Assets and obligations relating to employee benefits

Determination of functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (₹), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

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

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible assets - Computer software
	Computers and servers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles	Leasehold improvements	Total	
Gross block								
Balance as at 01 April 2018	231	387	52	188	328	55	1,241	436
Additions	138	146	26	45	13	8	376	193
Disposals	-	-	(21)	(1)	(10)	-	(32)	-
Balance as at 31 March 2019	**369**	**533**	**57**	**232**	**331**	**63**	**1,585**	**629**
Additions	1	18	33	45	-	5	102	122
Assets acquired as part of business combination	24	-	1	7	-	1	33	-
Disposals	-	-	-	(1)	(108)	-	(109)	-
Balance as at 31 March 2020	**394**	**551**	**91**	**283**	**223**	**69**	**1,611**	**751**
Accumulated depreciation/ amortisation								
Balance as at 01 April 2018	71	187	28	53	73	27	439	225
Accumulated depreciation/ amortisation of assets acquired on business combination								
Depreciation/amortisation expense for the year	86	88	12	34	69	13	302	106
Reversal on sale of assets	-	-	(18)	-	-	-	(18)	-
Balance as at 31 March 2019	**157**	**275**	**22**	**87**	**142**	**40**	**723**	**331**
Depreciation/amortisation expense for the year	119	87	10	44	65	15	340	102
Reversal on sale of assets	-	-	-	(1)	(91)	-	(92)	-
Balance as at 31 March 2020	**276**	**362**	**32**	**130**	**116**	**55**	**971**	**433**
Net block								
Balance as at 31 March 2019	212	258	35	145	189	23	862	298
Balance as at 31 March 2020	**118**	**189**	**59**	**153**	**107**	**14**	**640**	**318**

Note: 1. Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2020
Depreciation of Property, Plant and Equipment	340
Amortisation of Other intangible assets	102
Depreciation of Right of use asset (Refer Note 26(c))	1,013
Total	1,455

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

Particulars	As at March 31, 2020	As at March 31, 2019
4 Investments		
A Non-current (Unquoted)		
Investments carried at cost		
Investments in equity instruments of subsidiaries (fully paid-up)		
Allsectech Inc, USA	1,214	1,214
- 100 (31 March 2019 - 100) Common stock of US $ 23,100 each, fully paid up		
Allsectech Manila Inc., Philippines	1,020	1,020
- 8,12,500 (31 March 2019 - 8,12,500) Equity shares of Philippine Pesos (PHP) 100 each fully paid up		
Retreat Capital Management Inc., USA	1,307	1,307
- 1,160 (31 March 2019 - 1,160) Common stock of US $10 each, fully paid up		
Total Cost	**3,541**	**3,541**
Provision for impairment (Refer Note 37)	(2,521)	(1,307)
Total non-current investments	**1,020**	**2,234**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	1,020	2,234
Aggregate amount of impairment in the value of investments	2,521	1,307
Extent of investment in subsidiaries		
Allsectech Inc, USA	100%	100%
Allsectech Manila Inc., Philippines	100%	100%
Retreat Capital Management Inc., USA	100%	100%
B. Current (Quoted)		
Investments carried at fair value through profit and loss		
Investment in mutual funds	3,339	8,239
Total current investments	**3,339**	**8,239**
Aggregate amount of quoted investments and market value thereof	3,339	8,239
Aggregate book value of investments	3,339	8,239
Aggregate amount of impairment in the value of investments	-	-

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

Details of investment in mutual funds

Name of Mutual fund	Number of Units		Carrying Value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Hdfc Floating Rate Debt Fund - WS - Regular plan- Growth	13,38,486	31,12,513	470	1,012
Hdfc Money Market Fund - RP - Growth	10,186	-	426	-
ICICI Prudential Savings Fund - Growth	1,07,765	2,85,766	417	1,025
Kotak Money Market Scheme - Growth	13,436	36,915	443	1,135
Kotak Liquid - RP - Growth	14,607	-	584	-
Baroda Liquid Fund - Plan B Growth	18,904	36,911	433	794
UTI Liquid Cash Plan - Regular Growth Plan	4,399	34,705	142	1,060
UTI Money Market Fund - RP - Growth	18,838	-	424	-
Aditya Birla Sun Life Savings fund- Growth-Regular Plan	-	2,09,315	-	772
Aditya Birla Sun Life Liquid fund- Growth-Regular Plan	-	1,19,186	-	356
ICICI Prudential Short term Fund - Growth option	-	11,88,414	-	459
Reliance Liquidity fund - growth plan- growth option	-	25,574	-	1,161
Reliance Banking & PSU Debt fund - growth plan	-	34,53,271	-	465
*** No of units are in absolute numbers**			**3,339**	**8,239**

		As at March 31, 2020	As at March 31, 2019
5	**Other financial assets**		
	Non-current		
	Security deposits		
	- Unsecured, considered good	471	425
	- Doubtful	-	-
	Others	3	-
	Total	**474**	**425**
	Current		
	Foreign currency forward contracts receivable	-	67
	Unbilled revenue	1,052	879
	Other advances	226	12
	Total	**1,278**	**958**

	Particulars	As at March 31, 2020	As at March 31, 2019
6	**Non-current tax asset**		
	Advance Taxes (Net of Provision for taxes)	1,347	864
	Total	**1,347**	**864**
7	**Other assets**		
	Non current		
	Prepaid Expenses	4	-
		4	**-**
	Current		
	Prepaid expenses	171	162
	Advance to suppliers	40	-
	Others	8	19
	Total	**219**	**181**
8	**Trade receivables**		
	Receivables considered good, Secured	-	-
	Receivables considered good, Unsecured	3,344	2,339
	Doubtful	129	20
	Sub-total	**3,473**	**2,359**
	Less: Allowance for doubtful debts (expected credit loss allowance)	(129)	(20)
	Total	**3,344**	**2,339**

8.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms ranging from 45 days to 90 days. (31 March 2019: Ranging from 45 days to 90 days)

(b) Trade receivables (International) are non-interest bearing and are generally on terms ranging from 30 days to 180 days. (31 March 2019: Ranging from 30 days to 180 days)

Of the trade receivable balance as at March 31, 2020, ₹ 387 lakhs is due from one of the Company's customers i.e having more than 10% of the total outstanding trade receivable balance. Two of the customers accounted for more than 10% of the receivables (₹ 594 lakhs) as at 31 March 2019. There are no other customers who represent more than 10% of the total balance of trade receivables.

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

8.2 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

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

Age of receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Domestic Customers:		
(i) Within Credit period	1,744	1,126
(ii) 0 - 1 year	730	529
(iii) 1 - 2 years	109	19
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (A)	**2,583**	**1,674**
International Customers:		
(i) Within Credit period	694	466
(ii) 0 - 1 year	196	219
(iii) 1 - 2 years	-	-
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (B)	**890**	**685**
Grand Total (A + B)	**3,473**	**2,359**

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions has been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

8.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	20	13
Add: Allowance towards Expected credit loss provided / (written back) during the year	121	7
Less: Allowances written off during the year	12	-
Balance at end of the year	**129**	**20**

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

Particulars		As at March 31, 2020	As at March 31, 2019
9	**Cash and cash equivalents**		
	(a) Cash on hand	5	3
	(b) Balance with banks	3,706	1,431
	Total	**3,711**	**1,434**
10	**Bank balances other than cash and cash equivalents**		
	Balances with bank held as margin money*	135	33
	Total	**135**	**33**

* Margin money deposits are provided as security against guarantee.

Particulars		As at March 31, 2020		As at March 31, 2019	
		Number of Shares	Amount	Number of Shares	Amount
11	**Equity share capital**				
	Authorised				
	Equity shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
	Convertible preference shares of ₹ 100/- each	13,50,000	1,350	13,50,000	1,350
	Issued, subscribed and fully paid-up				
	Equity shares of ₹ 10/- each fully paid up	1,52,38,326	1,524	1,52,38,326	1,524
	Total	**1,52,38,326**	**1,524**	**1,52,38,326**	**1,524**

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

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

Equity shares of ₹ 10/- each fully paid

Sl. No.	Particulars	As at March 31, 2020		As at March 31, 2019	
		Number of Shares	Amount	Number of Shares	Amount
1	Saravanan A	3,80,958	2.50%	31,12,119	20%
2	Jagadish R	3,80,958	2.50%	30,36,952	20%
3	Conneqt Business Solutions Limited	1,11,82,912	73.39%	-	0%
4	First Carlyle Ventures Mauritius	-	0%	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 ₹ 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 persuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding 31 March 2020.

	Particulars	As at March 31, 2020	As at March 31, 2019
12	**Other equity**		
a)	**Securities premium (Refer Note 12.1 below)**		
	Balance at the beginning of the year	12,019	12,019
	Add : Additions made during the year	-	-
	Balance at the end of the year	**12,019**	**12,019**
b)	**Capital reserve (Refer Note 12.2 below)**		
	Balance at the beginning of the year	251	251
	Add : Additions made during the year (Refer Note 36)	(2,426)	-
	Balance at the end of the year	**(2,175)**	**251**
c)	**General reserve (Refer Note 12.3 below)**		
	Balance at the beginning of the year	1,413	1,413
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,413**	**1,413**
d)	**Retained earnings (Refer Note 12.4 below)**		
	Balance at the beginning of the year	2,267	2,271
	Less: Dividends (Refer Note 35)	(1,524)	(762)
	Less: Dividend distribution tax	(310)	(158)
	Add: Profit for the year	945	951
	Add : Remeasurement of defined benefits plan (net of taxes)	(98)	(35)
	Balance at the end of the year	**1,280**	**2,267**
	Total	**12,537**	**15,950**

Notes:

12.1: Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

12.2: Capital reserve comprises initial application money on warrants received, forfeited subsequently. Addition during the year of ₹ 2,426 lakhs represents reserve arising on business combination, recognised on acquisition of the statutory compliance business from Coachieve (Also Refer Note 36).

12.3: This represents appropriation of profit by the Company.

12.4: Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

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

	Particulars	As at March 31, 2020	As at March 31, 2019
13	**Borrowings**		
	From banks		
	(i) Finance lease obligation (Secured) #	18	45
		18	**45**

Finance lease from HDFC Bank - Secured

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2020	Repayment Terms	As at 31 March 2020
Ranging between 36 - 60	Ranging between 8% - 10%	195	Principal Quarterly, Interest Monthly	40
Less: Current maturities of long-term borrowings (Refer Note 14)				22
Long term Borrowings				**18**

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2019	Repayment Terms	As at 31 March 2019
Ranging between 36 - 60	Ranging between 8.25% - 10.75%	367	Principal Quarterly, Interest Monthly	74
Less: Current Maturities of long-term borrowings (Refer Note 14)				29
Long term Borrowings				**45**

Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8%-10% p.a (31 March 2019: 8.25%-10.75% p.a) with repayment term ranging from 3 to 5 years.

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

Particulars	As at March 31, 2020	As at March 31, 2019
14 Other financial liabilities		
Non-current		
Retentions	-	19
Total	**-**	**19**
Current		
Current maturities of finance lease obligations (Refer note 13)	22	29
Foreign currency forward contracts payable	81	-
Total	**103**	**29**
15 Provisions		
Non-current		
Gratuity	449	322
Total	**449**	**322**
Current		
Gratuity	60	60
Compensated absences*	202	176
Total	**262**	**236**
* 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.		
16 Trade payables		
- Other than Acceptances (Refer Note 30)	-	-
- Dues of Micro Enterprises and Small Enterprises	-	-
- Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,856	906
Total	**1,856**	**906**
17 Other current liabilities		
Advances from customers	32	39
Statutory dues payable	249	236
Unclaimed dividend	5	2
Total	**286**	**277**

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

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
18	**Revenue from operations**		
	Revenue from Services:		
	A. Customer Lifecycle Management (CLM)		
	(i) International	3,670	3,278
	(ii) Domestic	7,199	6,203
	B. Human Resource Operation (HRO)		
	(i) International	1,718	1,282
	(ii) Domestic	7,546	4,554
	Total	**20,133**	**15,317**

* The Company has reviewed and reassessed the presentation of revenue. Consequently, the revenue is disaggregated according to business segments & geographical location of customers. Accordingly previous years figures are regrouped to conform with current year classification.

(i) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The Company believes that this disagreegation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade receivables and Unbilled Revenue

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract assets from contracts with customers:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Receivables, which are included in ‘Trade and other receivables’	3,344	2,339
Unbilled Revenue	1,052	879

Unbilled Revenue primarily relate to the company’s rights to consideration for work completed but not billed at the reporting date. Unbilled Revenue are transferred to receivables when the rights become unconditional.

(iii) Performance obligations and remaining performance obligations.

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

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

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
19	**Other income**		
	Dividend income from Current investments	-	1
	Interest Income		
	- on fixed deposits	5	2
	- income tax refund	-	61
	Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss	182	-
	Profit on redemption of current investments	199	570
	Net gain on foreign currency transaction and translation	153	107
	Profit on sale of assets	2	-
	Miscellaneous income	4	2
	Total	**545**	**743**
20	**Employee benefits expense**		
	Salaries, wages and bonus	11,853	8,027
	Contribution to provident and other funds	634	515
	Gratuity expense	18	50
	Staff welfare expenses	467	418
	Total	**12,972**	**9,010**
21	**Finance costs**		
	Interest expense		
	(i) Interest on finance lease obligations	5	8
	(ii) Interest on loans from related parties	27	-
	(iii) Increase accrued on lease liabilities	137	-
	(iv) Others	5	12
	Total	**174**	**20**

		Year ended March 31, 2020	Year ended March 31, 2019
22	**Other expenses**		
	Professional and Consultancy Charges	480	439
	Travelling and Conveyance	234	138
	Power and Fuel	507	398
	Rent	63	954
	Repairs and maintenance		
	-Machinery	425	328
	-Others	372	247
	Insurance expenses	14	20
	Fees, rates and taxes	57	4
	Sales and marketing expenses	65	91
	Communication charges	26	17
	Connectivity cost	414	344
	Security charges	202	162
	Bank charges	13	-
	Allowance for Expected Credit Losses	16	7
	Bad Receivables Written off	12	-
	Less: Release of allowance for expected credit losses	(12)	-
		-	-
	Corporate social responsibility expenditure (Refer note 24)	44	38
	Directors' sitting fees	11	7
	Directors' commission	13	-
	Loss on sale of property, plant and equipment (net)	-	9
	Miscellaneous expenses	89	97
	Total	**3,045**	**3,300**
23	**Details of payment to auditors (included in Professional and Consultancy Charges)**		
	As auditor:		
	Audit fee*^	40	33
	In other capacities:		
	Certification fees*	3	1
	Other services*	10	3
	Re-imbursement of expenses*#	2	1
	Total	**55**	**38**

* excluding taxes

^ Audit fee includes ₹ 7 lakhs paid to predecessor auditor.

\# Re-imbursement of expenses includes amounts paid to predecessory auditor.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
24 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:		
Gross amount required to be spent by the Company during the year	44	37
Amount spent during the year		
(i) Construction or acquisition of any asset	-	-
(ii) On purpose other than (i) above	44	38
Amounts pending to be spent	-	-
The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company has spent the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.		
25 Taxation		
25.1 Income tax expense		
25.1.1 Recognised in Statement of Profit and Loss		
Current Tax:		
In respect of the current year	792	890
Adjustments in respect of earlier years	55	-
	847	**890**
Deferred Tax:		
In respect of the current year	26	174
	26	**174**
Total income tax expense recognised in statement of profit and loss	**873**	**1,064**
25.1.2 Recognised in Other Comprehensive Income		
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	51	18
Total income tax recognised in other comprehensive income	**51**	**18**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	51	18
Items that may be reclassified to profit or loss	-	-
Total	**51**	**18**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
25.1.3 Reconciliation of income tax		
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 29.12%. A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :		
Profit before tax	1,818	2,015
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	**529**	**587**
Remeasurement of deferred tax assets due to change in rates	-	141
<u>Adjustment for non-deductible expenses</u>		
- Provision for impairment of investments in subsidiary	354	381
- Others	36	25
Adjustment for additional deductions under Income Tax Act	(55)	(82)
Deferred Tax Asset relating to business acquisition during the year	(54)	-
Taxes pertaining to earlier years	**55**	**-**
Others	8	12
Total income tax expense recognised in the statement of profit and loss	**873**	**1,064**
25.2 Deferred Tax Balances		
The following is the analysis of the net deferred tax asset position as presented in the financial statements		
Deferred tax assets	1,297	1,441
Less: Deferred tax liabilities	53	-
Deferred tax asset (net)	**1,244**	**1,441**

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

Movement in the deferred tax balance :

Particulars	For the year ended 31 March 2020				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Compre-hensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	560	-	(13)	-	547
Employee Benefit Expenses	163	-	(7)	51	207
Provision for Expected Credit Loss on Financial Assets	6	-	32	-	38
Impact on account of ROU asset and lease liabilities	-	-	16	-	16
Fair valuation adjustments - Financial Assets	1	-	(54)	-	(53)
MAT credit	711	(222)	-	-	489
Deferred Tax Asset /(Liabilities)	**1,441**	**(222)**	**(26)**	**51**	**1,244**

Particulars	For the year ended 31 March 2019				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Compre-hensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	726	-	(166)	-	560
Employee Benefit Expenses	161	-	20	(18)	163
Provision for Expected Credit Loss on Financial Assets	-	-	6	-	6
Fair valuation adjustments - Financial Assets	-	-	1	-	1
MAT credit	746	(35)	-	-	711
Deferred Tax Asset /(Liabilities)	**1,633**	**(35)**	**(139)**	**(18)**	**1,441**

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

26 Leases

The Company has leases for Buildings and Computers.

(a) Right of Use Asset "ROU"

The following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Category of ROU Asset		Total
	Buildings	Computers	
Balance as at 01 April 2019	1,758	-	1,758
Additions	126	687	813
Deletions	-	-	-
Depreciation*	(994)	(19)	(1,013)
Balance as at 31 March 2020	**890**	**668**	**1,558**

* The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Lease Liabilities

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Buildings	Computers	Total
Balance as at 01 April 2019	1,758	-	1,758
Additions	125	687	812
Finance cost accrued during the year	131	5	136
Deletions	-	-	
Payment of lease liabilities	(1,074)	(21)	(1,095)
Balance as at 31 March 2020	**940**	**671**	**1,611**

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	Total
Current lease liabilities	592
Non-current lease liabilities	1,019

(c) Amounts recognized in profit and loss were as follows:

Particulars	Year ended 31 March 2020
Depreciation Expenditure	1,013
Finance Cost on Lease Liabilitities	136

(d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Year ended 31 March 2020
Not later than 1 year	712
Later than 1 year and not later than 5 years	2,209
Later than 5 years	-

Note: The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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

27 Related party transactions

A. Names of related parties and related party relationships

Nature of Relationship*	Name of the related party
Ultimate Holding Company	Quess Corp Limited
Holding Company	Conneqt Business Solutions Limited
Fellow Subsidiaries	Simpliance Technologies Pvt Ltd
	Mfx Infotech Private Limited
	Monster.Com (India) Private Limited
	Terrier Security Services (India) Private Limited
	Quess Malaysia
	Qdigi Services limited
	Heptagon Technologies Private Limited
	Coachieve Solutions Pvt Ltd
Related parties where control exists	
Subsidiaries (Wholly owned)	Allsectech Inc., USA
	Allsectech Manila Inc., Philippines
	Retreat Capital Management Inc., USA
Entity in which key managerial personnel have significant influence	Careworks Foundation
Key management personnel	
Chief Executive Officer	Mr. Ashish Johri (w.e.f 01 October 2019)
Chief financial officer	Mr. Raghunath. P (till 31 January 2020)
Chief financial officer	Mr. Nataraj Lakshmipathy (w.e.f 1 February 2020)
Directors	
Chairman of the Board of Directors	Mr. Ajit Abraham Isaac (w.e.f. 29 May 2019)
Independent director	Mr. Sanjay Anandaram (w.e.f. 06 June 2019)
Independent director	Mr. Milind Chalisgaonkar (w.e.f. 06 June 2019)
Independent director	Ms. Lakshmi Sarada R (w.e.f. 29 August 2019)
Non-executive Non-independent director	Mr. Subramanian Ramakrishnan (w.e.f 01 April 2020)
Non-executive Non-independent director	Mr. Subrata Nagkumar (till 31 March 2020)
Non-executive Non-independent director	Mr. Suraj Krishna Moraje (w.e.f. 24 January 2020)
Whole-time director	Mr. Jagadish R (till 06 June 2019)
Non-Independent director	Mr. Saravanan A (till 06 June 2019)

* Related Party relationships are as identified by the Management.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. Transactions with related parties		
Income from services billed to		
Allsectech Inc., USA	367	323
Allsectech Manila Inc., Philippines	707	629
Quess Corp Limited	44	-
Conneqt Business Solutions Limited	15	-
Simpliance Technologies Pvt Ltd	12	-
Monster.Com (India) Private Limited	2	-
Heptagon Technologies Private Limited	1	-
Purchase of capital goods		
MFX Infotech Private Limited	5	-
Expense incurred for recruitment/professional/consulting/security/ AMC etc		
Mfx Infotech Private Limited	4	-
Monster.Com (India) Private Limited	2	-
Simpliance Technologies Pvt Ltd	257	-
Quess Corp Limited	165	-
Terrier Security Services (India) Private Limited	110	-
Quess Malaysia	19	-
Qdigi Services limited	4	-
Heptagon Technologies Private Limited	5	-
Dividend paid to Holding company		
Conneqt Business Solutions Limited	396	-
Consideration paid towards business combination (Refer Note 36)		
Coachieve Solutions Pvt Ltd - HRO Stat Division	1,680	-
Provision for impairment of investment in subsidiary (Refer Note 37)		
Allsectech Inc., USA	1,214	-
Retreat Capital Management Inc., USA	-	1,307

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reimbursement of expenses incurred by the company		
Allsectech Manila Inc., Philippines	33	41
Allsectech Inc., USA	7	23
Repayment of Borrowings (Refer Note 36)		
Quess Corp Limited	1,345	-
Expenses incurred on behalf of and recoverable from		
Quess Corp Limited	147	-
Payments made by holding company on behalf of the company		
Quess Corp Limited	15	-
Payments made towards Corporate Social Responsibility Expense		
Careworks Foundation	41	-
Digital & marketing support service		
Experienzing Consulting Solutions LLP	8	-
Remuneration and other benefits*		
Whole-time director (Jagadish R)	85	171
Chief Executive officer	59	-
Chief financial officer	57	49
Non-whole-time directors	24	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.

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

Particulars	As at March 31, 2020	As at March 31, 2019
C. Balances with related parties		
Investments in equity instruments of subsidiaries		
Allsectech Inc, USA	1,214	1,214
Allsectech Manila Inc., Philippines	1,020	1,020
Retreat Capital Management Inc., USA	1,307	1,307
Trade receivables		
Allsectech Inc., USA	134	39
Allsectech Manila Inc., Philippines	60	53
Quess Corp Limited	27	-
Conneqt Business Solutions Limited	12	-
Simpliance Technologies Pvt Ltd	16	-
Trade Payable		
Simpliance Technologies Pvt Ltd	107	-
Terrier Security Services (India) Private Limited	3	-
Quess Corp Limited	65	-
Quess Malaysia	2	-
QDigi Services limited	2	-
Salaries payable to KMP	14	65
Directors' commission payable	13	-
Other financial assets		
Quess Corp Limited	147	-
Allsectech Inc. - Unbilled - Revenue	3	-

Particulars	As at March 31, 2020	As at March 31, 2019
The details of the maximum amount outstanding for the year ended 31 March 2020 are as follows:		
Investments made in subsidiaries		
Allsectech Inc, USA	1,214	1,214
Allsectech Manila Inc., Philippines	1,020	1,020
Retreat Capital Management Inc., USA	1,307	1,307

Notes:

(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2020, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) 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.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) All transactions with these related parties are priced at arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

28 Earnings per equity share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit after tax considered as numerator for calculating basic and diluted earnings per share	945	951
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	1,52,38,326	1,52,38,326
Nominal value of equity shares (in ₹)	10	10
Basic EPS (in ₹)	6.20	6.24
Diluted EPS (in ₹)	6.20	6.24

29 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debt

The Company received a demand from the Tamil Nadu Electricity Board for an amount of ₹ 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.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(b) Commitments		
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	189	42

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars*	2019-2020	2018-2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

31 Employee Benefits

(a) Defined Contribution plans

The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Included under 'Contributions to Provident and other Funds'		
Contributions to Employee state insurance	160	173
Contributions to provident funds	474	342

(b) Defined Benefit Plans:

The Company offers 'Gratuity' (Refer Note 20 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

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

A) **Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

C) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

D) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

E) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2020. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**544**	**460**
Interest cost	32	32
Current service cost	61	50
Past service cost	-	(22)
Benefits paid	(99)	(29)
Actuarial loss	151	53
Present value of defined benefit obligation at the end of the year	**690**	**544**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**162**	**110**
Expected return	11	10
Contributions by the Company	104	71
Benefits paid	(99)	(29)
Actuarial gains	2	-
Fair value of plan assets at the end of the year	**181**	**162**
Net defined benefit obligation (deficit)	**509**	**382**
Current	**449**	**322**
Non-current	**60**	**60**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount recognised in profit or loss		
Current service cost	61	50
Past service cost	-	(22)
Interest cost	32	32
Expected return on planned assets	(11)	(10)
Provision for gratuity acquired as part of Business combination	(64)	-
Total amount recognised in profit or loss	**18**	**50**
Amount recognised in other comprehensive income		
Remeasurement due to changes in actuarial assumptions	149	53
Total amount recognised in other comprehensive income	**149**	**53**
Significant actuarial assumptions		
a) Discount rate and expected return on plan assets	5.94%	6.95%
b) Long-term rate of compensation increase	5.00%	5.00%
c) Attrition rate		
- employees with service upto 5 years as at valuation date	39.00%	35.00%
- employees with service more than 5 years as at valuation date	1.50%	2.00%

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. It is assumed that the active members of the scheme will experience in service mortality in accordance with the Indian Assured Lives Mortality (2012-14) Ultimate Table. 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
31 March 2020						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	7	-9	-76	91	85	75
31 March 2019						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	11	-12	-53	63	59	-52

Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2021 is ₹ 60 lakhs. The weighted average duration of the defined benefit obligation is 13 years (31 March 2019: 11.6 years).

The expected benefit payments 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
31 March 2020					
Defined benefit obligation	20	29	161	185	395
31 March 2019					
Defined benefit obligation	19	63	112	200	394

(c) Compensated Absences

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Included under 'Salaries and Bonus'	46	78

Particulars	As at March 31, 2020	As at March 31, 2019
(b) Net asset / (liability) recognised in the Balance Sheet	202	176
Current portion of the above	202	176
Non - current portion of the above	-	-

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	2019-2020	2018-2019
Discount Rate (% p.a)	5.94%	6.95%
Future Salary Increase (% p.a)	5.00%	5.00%

32 Financial Instruments

32.1 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Other Financial Liabilities net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	40.00	74.00
Cash and Bank Balance	(3,846.00)	(1,467.00)
Net Debt over and above the cash and bank balances (A)	-	-
Total Equity (B)	**14,061**	**17,474**
Net Debt to equity ratio (A/B)	**- %**	**- %**

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

32.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2020 and 31 March 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
(a) Financial Assets				
Measured at cost				
Investment in subsidiaries	1,020	2,234	1,020	2,234
Measured at fair value through P&L				
Current Investments	3,339	8,239	3,339	8,239
- Other financial assets	-	67	-	67
Measured at amortised cost				
- Cash and Bank balances	3,711	1,434	3,711	1,434
- Other Bank balances	135	33	135	33
- Trade receivables	3,344	2,339	3,344	2,339
- Other financial assets	1,752	1,316	1,752	1,316
	13,301	**15,662**	**13,301**	**15,662**
(b) Financial Liabilities :				
Measured at fair value through P&L				
- Other financial liabilities	81	-	81	-
Measured at amortised cost				
- Borrowings	18	45	18	45
- Trade Payables	1,856	906	1,856	906
- Lease Liabilities	1,611	-	1,611	-
- Other financial liabilities	22	48	22	48
	3,588	**999**	**3,588**	**999**

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

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

The following methods and assumptions were used to estimate the fair value/amortized cost

1) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables.

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt

on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the unquoted instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

3) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

Fair Value Hierarchy

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: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2020 and 31 March 2019.

32.3 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk.

The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including interest rate risk and other price risk). The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

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

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2020				
Interest bearing*	614	1,037	-	1,651
Non-interest bearing	1,937	-	-	1,937
Total	**2,551**	**1,037**	**-**	**3,588**
31 March 2019				
Interest bearing	29	45	-	74
Non-interest bearing	906	19	-	925
Total	**935**	**64**	**-**	**999**

* Includes Lease liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2020				
Interest bearing	135	-	-	135
Non-interest bearing	11,672	474	1,020	13,166
Total	**11,807**	**474**	**1,020**	**13,301**
31 March 2019				
Interest bearing	33	-	-	33
Non-interest bearing	12,970	425	2,234	15,629
Total	**13,003**	**425**	**2,234**	**15,662**

(b) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

Trade receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and credit history, also has an influence on credit risk assessment.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in fixed deposits.

(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(c.1) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's management monitors the interest fluctuations, if any, and accordingly, take necessary steps to mitigate any interest rate risk.

Interest rate sensitivity analysis

Borrowings that existed as at 31 March 2020 are at fixed interest rates and hence the Company is not exposed to changes in market interest rates.

(c.2) Foreign Currency Risk Management :

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2020	As at 31 March 2019
		Amount ₹ In lakhs	Amount ₹ In lakhs
Financial Assets (Trade Receivables & Unbilled Revenue)	USD	3,195	2,117
Trade Payables	EURO	1	-
Trade Payables	RM	2	-

Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	319	319	212	212

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

Impact on total equity as at end of the reporting period

Particulars	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	319	319	212	212

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

32.4 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

32.5 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

33 Fair value measurement

Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis

Some of the financial assets and financial liabilities are measured at end of the each reporting period. The following table gives information about how the fair value of these financial assets and liabilities are considered:

Financial Assets/ Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Value Techniques and Key Inputs
	31-Mar-20	31-Mar-19		
Investments in Mutual Funds	3,339	8,239	Level 1	Quoted Net Asset Value in Active Markets
Foreign Currency Forward contracts	(81)	67	Level 2	Refer below

There have been no transfers between Level 1 and Level 2 for the year ended 31 March 2020 and 31 March 2019

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 1, 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.

34 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.

35 Dividend

Dividend of ₹ 10 per share on the equity share (100% of par value of ₹ 10 each) has been approved by the Board of Directors in its board meeting held on 23 May 2019 and paid during the financial year 2019-20.

36 Business combination

During the year,the Company acquired on a slump sale basis with effect from 30 September 2019 ,the assets and liabilities of HR Compliance business of Coachieve Solutions Private Limited ('CSPL'), a subsidiary of Quess Corp Limited for a purchase consideration of ₹ 1,680 lakhs against the net liability of ₹ 746 lakhs (including inter-company loans). The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles inrespect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and an adjustment of ₹ 2,426 lakhs (debit) has been made to the capital reserve of the Company.

37 Provision for Impairment of investment in subsidiary

During the year, the Company's subsidiary Allsectech Inc., USA incurred material losses due to non-renewal of a significant customer contract. In addition the subsidiary had accumulated losses primarily on account of the settlement of class action suits in the previous financial year. Accordingly, in line with the Company's policy the investment was tested by the management for impairment. The Company assessed the expected revenues, profitability, cash flows as also the business outlook for the financial year 2020-21 and beyond for the test of impairment. Based on such assessment, the Company concluded that the carrying value of the investments in this subsidiary would be impaired to the extent of the entire carrying value of ₹ 1,214 lakhs. Consequently, the Company has impaired the value of investments in Allsectech Inc, USA as at 31 March 2020 amounting to ₹ 1,214 lakhs and disclosed the same as exceptional item in Statement of Profit or Loss for the year ended 31 March 2020.

During the previous year the Company had impaired the value of its investment in Retreat Capital Management Inc., USA as at 31 March 2019 amounting to ₹ 1,307 lakhs and disclosed the same as an exceptional item in Statement of Profit or Loss for the year ended 31 March 2019."

38 Note on Covid 19 assessment

In assessing the recoverability of receivables including unbilled receivables, other contractual assets and related costs and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

39 Approval of Financial Statements

In connection with the preparation of the standalone financial statements for the year ended 31 March 2020, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 18 May 2020 in accordance with the provisions of Companies Act, 2013.

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Suraj Krishna Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai

Consolidated Financial Statements for the year ended March 31, 2020

Independent Auditor's Report

To the Members of Allsec Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Allsec Technologies Limited** ("the Parent" or "the Company") and its subsidiaries, (the Parent / Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

S.No.	Key audit matter	Auditor's Response
1	**Revenue Recognition** Revenue from contracts with customers for the year ended March 31, 2020 is ₹ 29,444 lakhs. Revenues from such contracts is recognised and measured based on (1) efforts incurred multiplied by agreed rate in the contract with customers and or (2) the unit of work delivered multiplied by agreed rate in the contract with customers. These contracts are subject to revision periodically for (1) rate agreed; (2) efforts due to deployment of additional resources and/ or (3) rate and efforts as more fully described above. Revenue is recognised only based on customer acceptances for delivery of work.	**Principal audit procedures performed:** We understood and evaluated the Company's process for recording and measuring revenues and compared that to the Company's accounting policies to ensure consistency. We tested the effectiveness of controls over (1) enforceability of contracts including inspecting that key terms in the contracts are agreed with customers and (2) revenue is recognised only based on agreed terms and customer acceptances for work delivered. For a sample of contracts, we performed the following procedures: We tested that revenue recognised for new contracts and revision to existing contracts was based on contractual terms agreed with customers multiplied by efforts or unit of work delivered duly acknowledged by customer.

S.No.	Key audit matter	Auditor's Response
	Given the periodical changes to contracts with customers, there is significant audit effort to ensure that revenue is recorded based on (1) contractual terms which are legally enforceable and (2) the work delivered is duly acknowledged by the customer.	We tested unbilled revenues at year end by comparing subsequent invoicing to customer acknowledgement for delivery of service.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Board of Directors report (but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Annual report is expected to be made available to us after that date.
- Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹11,752 Lakhs as at 31 March 2020, total revenues of ₹11,055 Lakhs and net cash inflows amounting to ₹ 3,096 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 subsection (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.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31 March 2020 taken on record by the Board of Directors of the Company none of the directors of the Company, is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Company.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent/ Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 0080272S)

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACX5814

Place: Hyderabad
Date: 18 May 2020
MM/RB/2020/18D

Annexure A to Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Allsec Technologies Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 0080272S)

Place: Hyderabad
Date: 18 May 2020
MM/RB/2020/18D

C Manish Muralidhar
Partner
(Membership No. 213649)
Unique Identification Number: 20213649AAAACX5814

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

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	3	880	1,023
	(b) Other intangible assets	3	318	298
	(c) Intangible assets under development		15	-
	(d) Right of use asset (ROUA)	26	2,227	-
	(e) Financial assets			
	(i) Other financial assets	5	659	571
	(f) Deferred tax assets	25.2	1,244	1,441
	(g) Non-current tax assets (net)	6	1,347	870
	(h) Other non-current assets	7	5	-
	Total non-current assets		**6,695**	**4,203**
II	Current assets			
	(a) Financial assets			
	(i) Investments	4	3,339	8,239
	(ii) Trade receivables	8	4,502	3,547
	(iii) Cash and cash equivalents	9	12,420	7,164
	(iv) Bank balances other than cash and cash equivalents	10	135	33
	(v) Other financial assets	5	1,382	1,101
	(b) Other current assets	7	446	233
	Total current assets		**22,224**	**20,317**
	Total Assets (I + II)		**28,919**	**24,520**
B	**EQUITY AND LIABILITIES**			
III	**Equity**			
	(a) Equity share capital	11	1,524	1,524
	(b) Other equity	12	21,283	20,255
	Total equity		**22,807**	**21,779**
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	18	45
	(ii) Lease liabilities	26	1,311	-
	(iii) Other financial liabilities	14	-	19
	(b) Provisions	15	449	322
	Total non-current liabilities		**1,778**	**386**
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	16		
	(a) Total outstanding dues of micro enterprises and small enterprises		-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,463	1,250
	(ii) Lease liabilities	26	1,013	-
	(iii) Other financial liabilities	14	103	29
	(b) Other current liabilities	17	350	489
	(c) Provisions	15	262	456
	(d) Current tax liabilities (net)	18	143	131
	Total current liabilities		**4,334**	**2,355**
	Total liabilities (IV + V)		**6,112**	**2,741**
	TOTAL EQUITY AND LIABILITIES		**28,919**	**24,520**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Suraj Krishna Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai

Consolidated Statement of Profit and Loss

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

	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations	19	29,444	26,116
II	Other income	20	409	742
III	**Total income (I + II)**		**29,853**	**26,858**
IV	**Expenses**			
	Employee benefits expense	21	17,073	13,838
	Finance costs	22	226	49
	Depreciation and amortisation expense	3	1,990	526
	Other expenses	23	4,844	8,315
	Total expenses		**24,133**	**22,728**
V	**Profit before exceptional items and tax (III - IV)**		**5,720**	**4,130**
VI	**Exceptional items**			
	Provision for impairment of goodwill	37	-	1,247
VII	**Profit before tax**		**5,720**	**2,883**
VIII	**Tax expense**			
	(a) Current tax	25.1	1,200	1,142
	(b) Deferred tax	25.2	27	174
			1,227	**1,316**
IX	**Profit for the Year**		**4,493**	**1,567**
X	**Other comprehensive income:**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of the defined benefit liability - loss		(149)	(53)
	- Income tax relating to above items		51	18
			(98)	**(35)**
	Items that will be reclassified subsequently to profit or loss			
	Exchange differences on translation of foreign operations		893	415
			893	**415**
	Total other comprehensive income for the year		**795**	**380**
XI	**Total comprehensive income for the year**		**5,288**	**1,947**
	Profit for the year attributable to			
	Equity holders of the company		4,493	1,567
	Non- controlling interest		-	-
	Other comprehensive income attributable to			
	Equity holders of the company		795	380
	Non- controlling interest		-	-
	Total comprehensive income for the year attributable to			
	Equity holders of the company		5,288	1,947
	Non- controlling interest		-	-
XII	**Earnings per equity share (Face value of ₹ 10 each)**	28		
	(a) Basic (in ₹)		29.48	10.28
	(b) Diluted (in ₹)		29.48	10.28

See accompanying notes forming part of the Consolidated Financial Statements

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Place: Chennai

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	5,720	2,883
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1,990	526
Unrealized foreign exchange loss/(gain)	251	(72)
Provision for impairment of goodwill	-	1,247
Profit / (Loss) on sale of property, plant and equipment (net)	(2)	9
Provision for loss allowances	16	7
Finance costs	226	49
Net gain on current investments	(357)	(570)
Interest Income		
- on fixed deposits	(11)	(2)
- income tax refund	-	(61)
Dividend income	-	(1)
Operating Profit before Working Capital and Other Changes	**7,833**	**4,015**
Working capital adjustments:		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(270)	733
Other financial assets	76	(599)
Other assets	(3)	294
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1,153	96
Other financial liabilities	(495)	(320)
Other liabilities	(251)	(906)
Provisions	(167)	(19)
Cash Generated from Operations	**7,876**	**3,294**
Net income tax paid	(1,667)	(1,277)
Net cash generated from operating activities (A)	**6,209**	**2,017**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(311)	(675)
Proceeds from sale of property, plant and equipment	19	5
Consideration towards business acquisition	(1,680)	-
Sale /(Purchase) of current investments (net)	4,543	(372)
Interest received on fixed deposits	35	2
Dividend income	-	1
Net Cash Flow From / (Used in) Investing Activities (B)	**2,606**	**(1,039)**
C. Cash Flow Used in Financing Activities		
Borrowings taken	-	13
Repayment of borrowings	(1,379)	(37)
Interest paid	(225)	(49)
Dividend paid (including dividend distribution tax)	(1,831)	(918)
Net Cash Flow used in Financing Activities (C)	**(3,435)**	**(991)**
Net increase / (decrease) in cash and cash equivalents	**5,379**	**(13)**
Cash taken over on business acquisition	130	-
Effect of exchange differences on cash & cash equivalents held in foreign currency	(253)	557
Cash and cash equivalents at the beginning of the year	7,164	6,620
Cash and cash equivalents at the end of the year	**12,420**	**7,164**
Components of cash and cash equivalents (Refer Note 9)		
Cash on hand	5	4
Balance with banks in current accounts	12,415	7,160
Total cash and cash equivalents	**12,420**	**7,164**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

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Chartered Accountants

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Place: Chennai

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

A. Equity share capital

Amount

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	1,524	1,524
Changes in equity share capital during the year	-	-
Closing Balance	**1,524**	**1,524**

B. Other equity

	Reserves and surplus				Other reserves	Total
	General reserve	Retained earnings	Capital reserve	Securities premium reserve	Foreign currency translation reserve	
Balances at 01 April 2018	**1,413**	**5,993**	**251**	**12,019**	**(447)**	**19,229**
Dividends	-	(762)	-	-	-	(762)
Dividend distribution tax	-	(158)	-	-	-	(158)
Profit for the year	-	1,567	-	-	-	1,567
Exchange differences on translation of foreign operations	-	-	-	-	415	415
Remeasurement of defined benefits plan (net of taxes)	-	(35)	-	-	-	(35)
Balance at 31 March 2019	**1,413**	**6,605**	**251**	**12,019**	**(32)**	**20,255**
Dividends	-	(1,524)	-	-	-	(1,524)
Dividend distribution tax	-	(310)	-	-	-	(310)
Profit for the year	-	4,493	-	-	-	4,493
Business combination reserve (Refer Note 39)	-	-	(2,426)	-	-	(2,426)
Remeasurement of defined benefits plan (net of taxes)	-	(98)	-	-	-	(98)
Exchange differences on translation of foreign operations	-	-	-	-	893	893
Balance at 31 March 2020	**1,413**	**9,165**	**(2,175)**	**12,019**	**861**	**21,283**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

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1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998. 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, together with its subsidiaries is hereinafter referred to as "the Group".

Basis of Consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line by line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

S.No.	Name of the Subsidiry	Country of Incorporation	Relationship	Effective Ownership Interest as at 31 March 2020	Effective Onwership Interest as at 31 March 2019
1	Allsectech Mania Inc.,	Philippines	Subsidiary	100%	100%
2	Allsectech Inc., USA	USA	Subsidiary	100%	100%
3	Retreat Capital Management Inc., USA	USA	Subsidiary	100%	100%

2 Summary of significant accounting policies

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.1 Basis of preparation of financial statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

'In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.5 Revenue from contracts with customers

The Group derives revenues primarily from services comprising the CLM and HRO services for customer in India and outside India. Effective 01 April 2018, the Group has adopted Ind AS 115, Revenue from Contracts with Customers, using modified retrospective method, applied to contracts that were not completed as at 01 April 2018. In accordance with modified retrospective method, the comparatives has not been retrospectively adjusted. The following is a summary of the significant accounting policies related to revenue recognition.

To determine whether to recognise revenue from contracts with customers, the Group follows a 5-step process:

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customer at an amount that reflects the consideration the group expects to receive in exchange for those products or services. Agreements with customers are either on a fixed price, fixed time frame or on a time- and -material basis.

Revenue on time-and-material basis contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for one time services, the Group has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The contracts with customers generally meet the criteria for considering the principal service and one-time service as distinct performance obligations and consideration for the each of such service is clearly specified in the contract, that enables to arrive at the transaction price for each performance obligations which is best evidence of its standalone selling price.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Property, plant and equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

The Group 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 the Company (Years)	Useful lives (Years) prescribed under Schedule II to the Companies Act, 2013
Computers and servers	3 - 10	3
Call Centre Equipments	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor Cars	3 - 5	8

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

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013. The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advise, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc.

Depreciation is accelerated on property, plant and equipment, based on their condition, usability etc., as per the technical estimates of the Management, where necessary."

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.8 Other intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation

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.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.9 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases with effect from 1 April 2019. The standard primarily requires the Group, as a lessee, to recognize, at the commencement of the lease a right-of-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost subject to certain re-measurement adjustments. The Group has adopted this standard using modified retrospective method effective 1 April 2019, and accordingly, the comparatives have not been restated retrospectively. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Further transition adjustments, if any, arising from refinements or authoritative interpretation guidance will be prospectively recognized.

2.11 Foreign currency Transactions

Initial Recognition:

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

Subsequent Recognition:

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:

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

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

2.12.1Financial Assets

(a) Recognition and initial measurement

(i) The Group initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e

All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably."

(e) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(f) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.12.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below."

(d) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

(e) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for capital expenditure. The banks and financial institutions are subsequently repaid by the Group at a later date. These are normally settled up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

(f) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

The Group makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

Defined Contribution Plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset). If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

Employee defined contribution plans include provident fund and Employee state insurance. All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

2.14 Earnings per equity share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate."

2.15 Taxation

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credit Entitlement:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the period :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

2.16 Contingent liabilities, Contingent Assets and Provisions

Provisions are recognized when the Company has a present obligation (legal/ constructive) as a result of past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.17 Segment Reporting

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.18 Goods and ServiceTax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits".

2.19 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation
- Provision for disputed matters
- Allowance for Expected Credit Loss
- Fair value of financial assets and liabilities
- Assets and obligations relating to employee benefits

Determination of functional and presentation currency:

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupees (₹), the national currency of India, which is the functional currency of the Group. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

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

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible assets - Computer software
	Computers and servers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles	Leasehold improvements	Total	
Gross block								
Balance as at 01 April 2018	435	387	198	206	329	178	1,733	438
Additions	234	146	35	45	13	8	481	193
Disposals	-	-	(21)	(1)	(10)	-	(32)	-
Foreign exchange fluctuation	11	-	-	-	-	-	11	-
Balance as at 31 March 2019	**680**	**533**	**212**	**250**	**332**	**186**	**2,193**	**631**
Additions	165	18	33	45	-	5	266	122
Assets acquired as part of business combination	24	-	1	7	-	1	33	-
Disposals	-	-	-	(1)	(108)	-	(109)	(7)
Foreign exchange fluctuation	25	-	-	-	-	-	25	-
Balance as at 31 March 2020	**894**	**551**	**246**	**301**	**224**	**192**	**2,408**	**746**
Accumulated depreciation/ amortisation and impairment								
Balance as at 01 April 2018	141	187	166	64	75	136	769	227
Depreciation/amortisation expense for the year	198	88	18	34	69	13	420	106
Provision for impairment	-	-	-	-	-	-	-	-
Reversal on sale of assets	-	-	(18)	-	-	-	(18)	-
Foreign exchange fluctuation	(1)	-	-	-	-	-	(1)	-
Balance as at 31 March 2019	**338**	**275**	**166**	**98**	**144**	**149**	**1,170**	**333**
Depreciation/amortisation expense for the year	220	88	17	44	65	15	449	102
Reversal on sale of assets	**-**	**-**	**-**	**(1)**	**(91)**	**-**	**(92)**	**(7)**
Foreign exchange fluctuation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2020	**558**	**363**	**183**	**141**	**119**	**164**	**1,528**	**428**
Net block								
Balance as at 31 March 2019	342	258	46	152	188	37	1,023	298
Balance as at 31 March 2020	336	188	63	160	105	28	880	318

Note: 1. Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2020
Depreciation of Property, Plant and Equipment	449
Amortisation of Other intangible assets	102
Depreciation of Right of use asset (Refer Note 26(c))	1,439
Total	1,990

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

	Particulars	As at March 31, 2020	As at March 31, 2019
4	**Investments**		
	Current (Quoted)		
	Investments carried at fair value through profit and loss		
	Investment in mutual funds	3,339	8,239
	Total current investments	**3,339**	**8,239**
	Aggregate amount of quoted investments and market value thereof	3,339	8,239
	Aggregate book value of investments	3,339	8,239
	Aggregate amount of impairment in the value of investments	-	-

Details of investment in mutual funds

Name of Mutual fund	Number of Units*		Carrying Value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Hdfc Floating Rate Debt Fund - WS - Regular plan- Growth	13,38,486	31,12,513	470	1,012
Hdfc Money Market Fund - RP - Growth	10,186	-	425	-
ICICI Prudential Savings Fund - Growth	1,07,765	2,85,766	417	1,025
Kotak Money Market Scheme - Growth	13,436	36,915	443	1,135
Kotak Liquid - RP - Growth	14,607	-	584	-
Baroda Liquid Fund - Plan B Growth	18,904	36,911	433	794
UTI Liquid Cash Plan - Regular Growth Plan	4,399	34,705	142	1,060
UTI Money Market Fund - RP - Growth	18,838	-	424	-
Aditya Birla Sun Life Savings fund- Growth-Regular Plan	-	2,09,315	-	772
Aditya Birla Sun Life Liquid fund- Growth-Regular Plan	-	1,19,186	-	356
ICICI Prudential Short term Fund - Growth option	-	11,88,414	-	459
Reliance Liquidity fund - growth plan- growth option	-	25,574	-	1,161
Reliance Banking & PSU Debt fund - growth plan	-	34,53,271	-	465
			3,339	**8,239**

* No of units are in absolute numbers

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

		As at March 31, 2020	As at March 31, 2019
5	**Other financial assets**		
	Non-current		
	Security deposits		
	- Unsecured, considered good	656	571
	- Doubtful	-	-
	Others	3	-
		659	**571**
	Current		
	Foreign currency forward contracts receivable	-	67
	Unbilled revenue	1,157	1,034
	Other advances	225	-
	Total	**1,382**	**1,101**
6	**Non-current tax asset**		
	Advance Taxes (Net of Provision for taxes)	1,347	870
	Total	**1,347**	**870**
7	**Other assets**		
	Non current		
	Prepaid expenses	5	-
		5	**-**
	Current		
	Prepaid expenses	250	197
	Advance to suppliers	40	-
	Others	156	36
	Total	**446**	**233**
8	**Trade receivables**		
	Receivables considered good, Secured	-	-
	Receivables considered good, Unsecured	4,502	3,547
	Doubtful	129	20
	Sub-total	**4,631**	**3,567**
	Less : Loss allowance	(129)	(20)
	Total	**4,502**	**3,547**

8.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms ranging from 45 days to 90 days. (31 March 2019: Ranging from 26 days to 60 days)

(b) Trade receivables (International) are non-interest bearing and are generally on terms ranging from 7 days to 180 days. (31 March 2019: Ranging from 7 days to 180 days).

Of the trade receivable balance as at March 31, 2020, ₹ 641 lakhs (As at March 31, 2019: ₹ 640 lakhs) are due from one of the Company's customers i.e having more than 10% of the total outstanding trade receivable balance. There are no other customers who represent more than 10% of the total balance of trade receivables.

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

8.2 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

Age of receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Domestic Customers:		
(i) Within Credit period	1,744	1,126
(ii) 0 - 1 year	730	529
(iii) 1 - 2 years	109	19
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (A)	**2,583**	**1,674**
International Customers:		
(i) Within Credit period	1,766	1,002
(ii) 0 - 1 year	281	890
(iii) 1 - 2 years	-	-
(iv) 2 - 3 years	-	-
(v) More than 3 years	-	-
Sub-total (B)	**2,047**	**1,893**
Grand Total (A + B)	**4,631**	**3,567**

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions has been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

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

8.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	20	13
Add: Allowance towards Expected credit loss provided / (written back) during the year	121	7
Less: Allowances written off during the year	12	-
Balance at end of the year	**129**	**20**
9 Cash and cash equivalents		
(a) Cash on hand	5	4
(b) Balance with banks	12,415	7,160
Total	**12,420**	**7,164**
10 Bank balances other than cash and cash equivalents		
Balances with bank held as margin money	135	33
Total	**135**	**33**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
11 Equity share capital				
Authorised				
Equity shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
Convertible preference shares of ₹ 100/- each	13,50,000	1,350	13,50,000	1,350
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each fully paid up	1,52,38,326	1,524	1,52,38,326	1,524
Total	**1,52,38,326**	**1,524**	**1,52,38,326**	**1,524**

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

b) Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company.

Equity shares of ₹ 10/- each fully paid

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Saravanan A	3,80,958	3%	31,12,119	20%
Jagadish R	3,80,958	3%	30,36,952	20%
Conneqt Business Solutions Limited	1,11,82,912	73%	-	0%
First Carlyle Ventures Mauritius	-	0%	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 ₹ 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 persuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding 31 March 2020.

	Particulars	As at March 31, 2020	As at March 31, 2019
12	**Other equity**		
a)	**Securities premium (Refer Note 12.1 below)**		
	Balance at the beginning of the year	12,019	12,019
	Add : Additions made during the year	-	-
	Balance at the end of the year	**12,019**	**12,019**
b)	**Capital reserve (Refer Note 12.2 below)**		
	Balance at the beginning of the year	251	251
	Add : Additions made during the year (Refer Note 39)	(2,426)	-
	Balance at the end of the year	**(2,175)**	**251**
c)	**General reserve (Refer Note 12.3 below)**		
	Balance at the beginning of the year	1,413	1,413
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,413**	**1,413**
d)	**Retained earnings (Refer Note 12.4 below)**		
	Balance at the beginning of the year	6,605	5,993
	Less: Dividends (Refer Note 38)	(1,524)	(762)
	Less: Dividend distribution tax	(310)	(158)
	Add : Profit attributable to owners of the Company	4,493	1,567
	Add : Remeasurement of defined benefits plan (net of taxes)	(98)	(35)
	Balance at the end of the year	**9,166**	**6,605**
e)	**Foreign currency translation reserve**		
	Balance at the beginning of the year	(32)	(447)
	Add : Transfer from other comprehensive income	893	415
	Balance at the end of the year	**861**	**(32)**
	Total	**21,284**	**20,256**

Notes:

12.1: Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

12.2: Capital reserve comprises initial application money on warrants received, forfeited subsequently. Addition during the year of ₹ 2,426 lakhs represents reserve arising on business combination, recognised on acquisition of the statutory compliance business from Coachieve (Also Refer Note 39).

12.3: This represents appropriation of profit by the Company.

12.4: Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

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

Particulars	As at March 31, 2020	As at March 31, 2019
13 Borrowings		
Non-current		
From banks		
(i) Finance lease obligation (Secured) #	18	45
Total	**18**	**45**

Finance lease from HDFC Bank - Secured

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2020	Repayment Terms	As at 31 March 2020
Ranging between 36 - 60	Ranging between 8% - 10%	195	Principal Quarterly, Interest Monthly	40
Less: Current maturities of long-term borrowings (Refer Note 14)				**22**
Long term Borrowings				**18**

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2019	Repayment Terms	As at 31 March 2019
Ranging between 36 - 60	Ranging between 8.25% - 10.75%	196	Principal Quarterly, Interest Monthly	74
Less: Current Maturities of long-term borrowings (Refer Note 14)				**29**
Long term Borrowings				**45**

Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8%-10% p.a (31 March 2019: 8.25%-10.75% p.a) with repayment term ranging from 3 to 5 years.

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

Particulars	As at March 31, 2020	As at March 31, 2019
14 Other financial liabilities		
Non-current		
Retentions	-	19
Total	**-**	**19**
Current		
Current maturities of finance lease obligations (Refer note 13)	22	29
Foreign currency forward contracts	81	-
Total	**103**	**29**
15 Provisions		
Non-current		
Gratuity	449	322
Total	**449**	**322**
Current		
Gratuity	60	60
Compensated absences*	202	176
Litigations	-	220
Total	**262**	**456**
* 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.		
16 Trade payables		
- Other than Acceptances (Refer Note 30)		
- Dues of Micro Enterprises and Small Enterprises	-	-
- Dues of Creditors Other than Micro Enterprises and Small Enterprises	2,463	1,250
Total	**2,463**	**1,250**
17 Other current liabilities		
Advances from customers	32	38
Statutory dues	313	449
Unclaimed dividend	5	2
Total	**350**	**489**
18 Current tax liabilities (Net)		
Provison for Income taxes (Net of Advance Tax)	143	131
Total	**143**	**131**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
19 Revenue from operations		
Revenue from Services*:		
A. Customer Lifecycle Management (CLM)		
(i) International	12,833	13,971
(ii) Domestic	7,199	6,203
B. Human Resource Operation (HRO)		
(i) International	1,866	1,388
(ii) Domestic	7,546	4,555
Total	**29,444**	**26,116**

* The Group has reviewed and reassessed the presentation of revenue. Consequently, the revenue is disaggregated according to business segments & geographical location of customers. Accordingly previous years figures are regrouped to conform with current year classification.

(i) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The Group believes that this disagreegation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade receivables and Unbilled Revenue

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract assets from contracts with customers:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Receivables, which are included in 'Trade and other receivables'	4,502	3,547
Unbilled Revenue	1,157	1,034

Unbilled Revenue primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. Unbilled Revenue are transferred to receivables when the rights become unconditional.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the value of remaining performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Group recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

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

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
20	**Other income**		
	Dividend income from current investments	-	1
	Interest Income		
	- on fixed deposits	11	2
	- income tax refund	-	61
	- others	15	1
	Net gain arising on Financial Assets designated as at Fair Value through Profit or Loss	182	-
	Profit on redemption of current investments	199	570
	Net gain on foreign currency transaction and translation	-	103
	Profit on sale of property, plant and equipment (net)	2	-
	Miscellaneous income	-	4
	Total	**409**	**742**
21	**Employee benefits expense**		
	Salaries, wages and bonus	15,554	12,271
	Contribution to provident fund and other funds	847	776
	Gratuity expense	18	50
	Staff welfare expenses	654	741
	Total	**17,073**	**13,838**
22	**Finance costs**		
	Interest expense		
	(i) Interest on finance lease obligations	5	8
	(ii) Interest on loans from related parties	27	-
	(iii) Increase accrued on lease liabilities	189	-
	(iv) Others	5	41
	Total	**226**	**49**

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

		Year ended March 31, 2020	Year ended March 31, 2019
23	**Other expenses**		
	Professional and Consultancy Charges	1,086	3,517
	Travelling and Conveyance	467	397
	Power and Fuel	701	576
	Rent	289	1,516
	Repairs and maintenance		
	-Machinery	425	328
	-Others	496	403
	Insurance expenses	49	49
	Fees, rates and taxes	134	207
	Sales and marketing expenses	91	363
	Communication charges	155	153
	Connectivity cost	414	344
	Security charges	282	224
	Bank charges	19	-
	Allowance for Expected Credit Losses	16	7
	Bad Receivables Written off	12	-
	Less: Release of allowance for expected credit losses	(12)	-
		-	-
	Corporate social responsibility expenditure (Refer note 24)	44	38
	Directors' sitting fees	11	7
	Directors' commission	13	-
	Loss on sale of property, plant and equipment (net)	-	9
	Net loss on foreign currency transaction and translation	13	-
	Miscellaneous expenses	139	177
	Total	**4,844**	**8,315**
24	**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:		
	Gross amount required to be spent by the Company during the year	44	37
	Amount spent during the year		
	(i) Construction or acquisition of any asset	-	-
	(ii) On purpose other than (i) above	44	38
	Amounts pending to be spent	-	-
	The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company has spent the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.		

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
25 Taxation		
25.1 Income tax expense		
25.1.1 Recognised in Statement of Profit and Loss		
Current Tax:		
In respect of the current year	1,145	1,142
Adjustments in respect of earlier years	55	-
	1,200	**1,142**
Deferred Tax:		
In respect of the current year	27	174
	27	**174**
Total income tax expense recognised in statement of profit and loss	**1,227**	**1,316**
25.1.2 Recognised in Other Comprehensive Income		
Deferred Tax		
Remeasurements of the defined benefit liabilities/ (asset)	51	18
Total income tax recognised in other comprehensive income	**51**	**18**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	51	18
Items that may be reclassified to profit or loss	-	-
Total	**51**	**18**

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
25.1.3 Reconciliation of income tax		
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 29.12% (2018-19: 29.12%) and the reported tax expense in profit or loss are as follows:		
Profit before tax	5,720	2,883
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	**1,666**	**840**
Remeasurement of deferred tax assets due to change in rates	-	141
Adjustment for non-deductible expenses		
- Provision for impairment of goodwill	-	363
- Others	36	10
Adjustment for additional deductions under Income Tax Act	(55)	(82)
Deferred Tax Asset relating to business acquisition during the year	(54)	-
Taxes pertaining to earlier years	55	-
Difference in overseas tax rates	(855)	(606)
Savings in tax on account of losses incurred by subsidiaries in US	426	636
Others	8	14
Total income tax expense recognised in the statement of profit and loss	**1,227**	**1,316**
25.2 Deferred Tax Balances		
The following is the analysis of the net deferred tax asset position as presented in the financial statements		
Deferred tax assets	1,297	1,441
Less: Deferred tax liabilities	53	-
Deferred tax asset (net)	**1,244**	**1,441**

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

Movement in the deferred tax balance :

Particulars	For the year ended 31 March 2020				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Compre-hensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	560	-	(13)	-	547
Employee Benefit Expenses	163	-	(7)	51	207
Provision for Expected Credit Loss on Financial Assets	6	-	32	-	38
Impact on account of ROU asset and lease liabilities	-	-	16	-	16
Fair valuation adjustments - Financial Assets	1	-	(54)	-	(53)
MAT credit	711	(222)	-	-	489
Deferred Tax Asset /(Liabilities)	**1,441**	**(222)**	**(26)**	**51**	**1,244**

Particulars	For the year ended 31 March 2019				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Compre-hensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	726	-	(166)	-	560
Employee Benefit Expenses	161	-	20	(18)	163
Provision for Expected Credit Loss on Financial Assets	-	-	6	-	6
Fair valuation adjustments - Financial Assets	-	-	1	-	1
MAT credit	746	(35)	-	-	711
Deferred Tax Asset /(Liabilities)	**1,633**	**(35)**	**(139)**	**(18)**	**1,441**

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

26 Leases

The Company has leases for Buildings and Computers.

(a) Right of Use Asset "ROU"

The following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Category of ROU Asset		Total
	Buildings	Computers	
Balance as at 01 April 2019	2,853	-	2,853
Additions	126	687	813
Deletions	-	-	-
Depreciation*	(1,420)	(19)	(1,439)
Balance as at 31 March 2020	**1,559**	**668**	**2,227**

* The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Lease Liabilities

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Buildings	Computers	Total
Balance as at 01 April 2019	2,853	-	2,853
Additions	126	687	813
Finance cost accrued during the year	183	5	188
Deletions	-	-	
Payment of lease liabilities	(1,509)	(21)	(1,530)
Balance as at 31 March 2020	**1,653**	**671**	**2,324**

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	Total
Current lease liabilities	1,013
Non-current lease liabilities	1,311

(c) Amounts recognized in profit and loss were as follows:

Particulars	Year ended 31 March 2020
Depreciation Expenditure	1,439
Finance Cost on Lease Liabilitities	188

(d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Not later than 1 year	1,163
Later than 1 year and not later than 5 years	1,413
Later than 5 years	-

Note: The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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

27 Related party transactions

A. Names of related parties and related party relationships

Nature of Relationship*	Name of the related party
Ultimate Holding Company	Quess Corp Limited
Holding Company	Conneqt Business Solutions Limited
Fellow Subsidiaries	Simpliance Technologies Pvt Ltd
	Mfx Infotech Private Limited
	Monster.Com (India) Private Limited
	Terrier Security Services (India) Private Limited
	Quess Malaysia
	QDigi Services limited
	Heptagon Technologies Private Limited
	Coachieve Solutions Pvt Ltd
	MFXchange US, Inc
Entity which is controlled by Key Managerial Personnel	Experienzing Consulting Solutions LLP
Entity in which key managerial personnel have significant influence	Careworks Foundation
Key management personnel	
Chief Executive Officer	Mr. Ashish Johri (w.e.f 01 October 2019)
Chief financial officer	Mr. Raghunath. P (till 31 January 2020)
Chief financial officer	Mr. Nataraj Lakshmipathy (w.e.f 1 February 2020)
Directors	
Chairman of the Board of Directors	Mr. Ajit Abraham Isaac (w.e.f. 29 May 2019)
Independent director	Mr. Sanjay Anandaram (w.e.f. 06 June 2019)
Independent director	Mr. Milind Chalisgaonkar (w.e.f. 06 June 2019)
Independent director	Ms. Lakshmi Sarada R (w.e.f. 29 August 2019)
Non-executive Non-independent director	Mr. Subramanian Ramakrishnan (w.e.f 01 April 2020)
Non-executive Non-independent director	Mr. Subrata Nagkumar (till 31 March 2020)
Non-executive Non-independent director	Mr. Suraj Krishna Moraje (w.e.f. 24 January 2020)
Whole-time director	Mr. Jagadish R (till 06 June 2019)
Non-Independent director	Mr. Saravanan A (till 06 June 2019)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. Transactions with related parties		
Income from services billed to		
Quess Corp Limited	44	-
Conneqt Business Solutions Limited	15	-
Simpliance Technologies Pvt Ltd	12	-
Monster.Com (India) Private Limited	2	-
Heptagon Technologies Private Limited	1	-
Purchase of capital goods		
MFX Infotech Private Limited	5	-
Expense incurred for recruitment/professional/consulting/security/ AMC etc		
Mfx Infotech Private Limited	4	-
MFXchange US, Inc	131	-
Monster.Com (India) Private Limited	2	-
Simpliance Technologies Pvt Ltd	257	-
Quess Corp Limited	165	-
Terrier Security Services (India) Private Limited	110	-
Quess Malaysia	19	-
QDigi Services limited	4	-
Heptagon Technologies Private Limited	5	-
Dividend paid to Parent company		
Conneqt Business Solutions Limited	396	-
Consideration paid towards business combination (Refer Note 39)		
Coachieve Solutions Pvt Ltd - HRO Stat Division	1,680	-
Repayment of Borrowings (Refer Note 39)		
Quess Corp Limited	1,345	-

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expenses incurred on behalf of and recoverable from		
Quess Corp Limited	147	-
Payments made by holding company on behalf of the company		
Quess Corp Limited	15	-
Loan issued to fellow subsidiary		
MFXchange US, Inc	708	-
Loan recovered from fellow subsidiary		
MFXchange US, Inc	708	-
Interest Income on Loan		
MFXchange US, Inc	5	-
Payments made towards Corporate Social Responsibility Expense		
Careworks Foundation	41	-
Remuneration*		
Whole-time director (Jagadish R)	85	171
Director (Saravanan A)	17	209
Chief Executive officer	59	-
Chief financial officer	57	49
Non-whole-time directors	24	7
Digital & marketing support service		
Experienzing Consulting Solutions LLP	28	36

* 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.

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

Particulars	As at March 31, 2020	As at March 31, 2019
C. Balances with related parties		
Trade receivables		
Quess Corp Limited	27	-
Conneqt Business Solutions Limited	12	-
Simpliance Technologies Pvt Ltd	16	-
Trade Payable		
Simpliance Technologies Pvt Ltd	107	-
Terrier Security Services (India) Private Limited	3	-
Quess Corp Limited	65	-
Quess Malaysia	2	-
QDigi Services limited	2	-
Salaries payable to KMP	14	65
Directors' commission payable	13	-
Other financial assets		
Quess Corp Limited	147	-

Notes:

(i) The Group accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2020, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) 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.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) All transactions with these related parties are priced at arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
28 Earnings per equity share		
Profit after tax considered as numerator for calculating basic and diluted earnings per share	4,493	1,567
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	1,52,38,326	1,52,38,326
Nominal value of equity shares (in ₹)	10	10
Basic EPS (in ₹)	29.48	10.28
Diluted EPS (in ₹)	29.48	10.28

29 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debt

The Company received a demand from the Tamil Nadu Electricity Board for an amount of ₹ 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.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(b) Commitments		
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	189	42

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars*	2019-2020	2018-2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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

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 assess 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 31 March 2020.

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 31 March 2020.

Business Segments

CLM comprises Inbound and Outbound Tele calling services and Call Quality Monitoring services rendered to its clients. HRO comprises payroll processing and statutory compliance support services to its client. 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.

Segment information

Particulars	CLM	HRO	AML	Unallocable	Total
Revenue from operations	20,032	9,412	-	-	29,444
	17,808	*5,942*	*2,366*	-	*26,116*
Operating and other expenses/(income), net	16,207	6,673	158	(1,519)	21,519
	14,140	*3,522*	*4,273*	*787*	*22,722*
Depreciation and amortization expense	386	61	-	1,544	1,990
	355	*48*	*24*	*99*	*526*
Finance costs	-	-	-	226	226
	-	-	-	*49*	*49*
Interest income	-	-	-	11	11
	-	-	-	*64*	*64*
Profit before tax	3,440	2,678	(158)	(240)	5,720
	3,313	*2,372*	*(1,931)*	*(871)*	*2,883*
Tax expense	-	-	-	1,227	1,227
	-	-	-	*1,316*	*1,316*
Profit after tax	-	-	-	-	4,493
	-	-	-	-	*1,567*
Other information					
Segment Assets	3,903	2,901	-	22,115	28,919
	4,024	*1,562*	*11*	*18,923*	*24,520*
Segment Liabilities	2,074	556	-	3,482	6,112
	1,027	*284*	*221*	*1,209*	*2,741*

Note: Amounts in italics pertains to the previous year ended 31 March 2019

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

32 Employee Benefits

(a) Defined Contribution plans

The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Included under 'Contributions to Provident and other Funds'		
Contributions to Employee state insurance	160	173
Contributions to provident funds	474	342
Contributions to other funds	213	261

(b) Defined Benefit Plans:

The Company offers ‘Gratuity’ (Refer Note 21 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company’s obligation towards its gratuity liability is a defined benefit plan.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

A) **Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

C) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan’s liability.

D) **Demographic Risk :**The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

E) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2020. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**544**	**460**
Interest cost	32	32
Current service cost	61	50
Past service cost	-	(22)
Benefits paid	(99)	(29)
Actuarial loss	151	53
Present value of defined benefit obligation at the end of the year	**690**	**544**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**162**	**110**
Expected return	11	10
Contributions by the Company	104	71
Benefits paid	(99)	(29)
Actuarial gains	2	-
Fair value of plan assets at the end of the year	**181**	**162**
Net defined benefit obligation (deficit)	**509**	**382**
Current	**449**	**322**
Non-current	**60**	**60**
Amount recognised in profit or loss		
Current service cost	61	50
Past service cost	-	(22)
Interest cost	32	32
Expected return on planned assets	(11)	(10)
Provision for gratuity acquired as part of Business combination	(64)	-
Total amount recognised in profit or loss	**18**	**50**
Amount recognised in other comprehensive income		
Remeasurement due to changes in actuarial assumptions	149	53
Total amount recognised in other comprehensive income	**149**	**53**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Significant actuarial assumptions		
a) Discount rate and expected return on plan assets	5.94%	6.95%
b) Long-term rate of compensation increase	5.00%	5.00%
c) Attrition rate		
- employees with service upto 5 years as at valuation date	39.00%	35.00%
- employees with service more than 5 years as at valuation date	1.50%	2.00%

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. It is assumed that the active members of the scheme will experience in service mortality in accordance with the Indian Assured Lives Mortality (2012-14) Ultimate Table. 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
31 March 2020						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	7	-9	-76	91	85	75
31 March 2019						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	11	-12	-53	63	59	-52

Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2021 is ₹ 60 lakhs. The weighted average duration of the defined benefit obligation is 13 years (31 March 2019: 11.6 years).

The expected benefit payments 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
31 March 2020					
Defined benefit obligation	20	29	161	185	395
31 March 2019					
Defined benefit obligation	19	63	112	200	394

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

(c) Compensated Absences

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Included under 'Salaries and Bonus'	46	78

Particulars	As at March 31, 2020	As at March 31, 2019
(b) Net asset / (liability) recognised in the Balance Sheet	202	176
Current portion of the above	202	176
Non - current portion of the above	-	-

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	2019-2020	2018-2019
Discount Rate (% p.a)	5.94%	6.95%
Future Salary Increase (% p.a)	5.00%	5.00%

33 Financial Instruments

33.1 Capital Management

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Group's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Other Financial Liabilities net of Cash and bank balances. The Group monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Group compared to last year.

Gearing Ratio :

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	40	74
Cash and Bank Balance	(12,555)	(7,197)
Net Debt over and above the cash and bank balances (A)	-	-
Total Equity (B)	**22,807**	**21,779**
Net Debt to equity ratio (A/B)	**- %**	**- %**

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

33.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2020 and 31 March 2019 is as follows::

Particulars	Carrying Value		Fair Value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
(a) Financial Assets				
Measured at fair value through P&L				
- Current Investments	3,339	8,239	3,339	8,239
- Other financial assets	-	67	-	67
Measured at amortised cost				
- Cash and Bank balances	12,420	7,164	12,420	7,164
- Other Bank balances	135	33	135	33
- Trade receivables	4,502	3,547	4,502	3,547
- Other financial assets	2,041	1,605	2,041	1,605
	22,436	**20,655**	**22,436**	**20,655**
(b) Financial Liabilities :				
Measured at fair value through P&L				
- Other financial liabilities	81	-	81	-
Measured at amortised cost				
- Borrowings	18	45	18	45
- Trade Payables	2,463	1,250	2,463	1,250
- Lease Liabilities	2,324	-	2,324	-
- Other financial liabilities	22	48	22	48
	4,908	**1,343**	**4,908**	**1,343**

The management assessed that fair value of cash and cash equivalents, trade receivables, loans, borrowings, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

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

The following methods and assumptions were used to estmate the fair value/amortized cost

1) Long-term fixed-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the unquoted instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a

range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

3) Fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at 31 March 2020 was assessed to be insignificant.

Fair Value Hierarchy

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: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2020 and 31 March 2019.

33.3 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Groups's risk management framework. The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk.

The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including interest rate risk and other price risk). The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk refers to the risk that the Group cannot meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Group maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Group periodically. The Group believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

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

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2020				
Interest bearing*	1,035	1,329	-	2,364
Non-interest bearing	2,544	-	-	2,544
Total	**3,579**	**1,329**	**-**	**4,908**
31 March 2019				
Interest bearing	29	45	-	74
Non-interest bearing	1,250	19	-	1,269
Total	**1,279**	**64**	**-**	**1,343**

* Includes Lease liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Group does not hold any derivative financial instrument.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2020				
Interest bearing	135	-	-	135
Non-interest bearing	21,642	659	-	22,301
Total	**21,777**	**659**	**-**	**22,436**
31 March 2019				
Interest bearing	33	-	-	33
Non-interest bearing	20,051	571	-	20,622
Total	**20,084**	**571**	**-**	**20,655**

(b) Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Group result in material concentration of credit risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

Trade receivables: The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and credit history, also has an influence on credit risk assessment.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in fixed deposits.

(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(c.1) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group's management monitors the interest fluctuations, if any, and accordingly, take necessary steps to mitigate any interest rate risk.

Interest rate sensitivity analysis

Borrowings that existed as at 31 March 2020 are at fixed interest rates and hence the Group is not exposed to changes in market interest rates.

(c.2) Foreign Currency Risk Management :

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2020	As at 31 March 2019
		Amount ₹ In lakhs	Amount ₹ In lakhs
Financial Assets (comprising of trade receivables, cash & bank balances and unbilled revenue)	USD	12,759	5,770
Financial Assets (comprising of trade receivables, cash & bank balances and unbilled revenue)	PHP	787	-
Financial Liabilities (comprising of trade payables)	USD	216	-
Financial Liabilities (comprising of trade payables)	PHP	386	-
Financial Liabilities (comprising of trade payables)	EURO	1	-
Financial Liabilities (comprising of trade payables)	RM	2	-

Foreign Currency sensitivity analysis:

The following table details the Group's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

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

Impact on Profit and loss for the reporting period

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	1,254	1,254	854	854
PHP	40	40	-	-

Impact on total equity as at end of the reporting period

Particulars	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	1,254	1,254	854	854
PHP	40	40	-	-

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

33.4 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

33.5 Offsetting of financial assets and financial liabilities

The Group has not offset financial assets and financial liabilities.

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

34 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 consoli-dated assets	Amount	As a % of consoli-dated profit or Loss	Amount	As a % of consoli-dated Other Compre-hensive Income	Amount	As a % of consoli-dated total compre-hensive income	Amount
As at 31 March 2020								
Holding company	59%	14,061	29%	945	100%	(98)	27%	847
Foreign subsidiaries:								
Allsectech Inc	4%	1,013	-46%	(1,501)	0%	-	-47%	(1,501)
Allsectech Manila Inc	37%	8,847	108%	3,551	0%	-	111%	3,551
Retreat Capital Management Inc	0%	(79)	9%	285	0%	-	9%	285
Sub-total	**100%**	**23,842**	**100%**	**3,280**	**100%**	**(98)**	**100%**	**3,182**
Inter-company eliminations and other adjustments		(1,035)		1,213		893		2,106
Total		**22,807**		**4,493**		**795**		**5,288**
As at 31 March 2019								
Holding company	73%	17,475	63%	951	100%	(35)	62%	916
Foreign subsidiaries:								
Allsectech Inc	10%	2,398	-69%	(1,047)	0%	-	-71%	(1,047)
Allsectech Manila Inc	19%	4,526	182%	2,752	0%	-	187%	2,752
Retreat Capital Management Inc	-2%	(355)	-76%	(1,146)	0%	-	-78%	(1,146)
Total	**100%**	**24,044**	**100%**	**1,510**	**100%**	**(35)**	**100%**	**1,475**
Inter-company eliminations and other adjustments		(2,265)		57		415		472
Total for consolidated financials		**21,779**		**1,567**		**380**		**1,947**

35 Fair value measurement

Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis

Some of the financial assets and financial liabilities are measured at end of the each reporting period. The following table gives information about how the fair value of these financial assets and liabilities are considered:

Particulars	Fair Value as at		Fair Value Hierarchy	Value Techniques and Key Inputs
	31-Mar-20	31-Mar-19		
Investments in Mutual Funds	3,339	8,239	Level 1	Quoted Net Asset Value in Active Markets
Foreign Currency Forward contracts	(81)	67	Level 2	Refer below

There have been no transfers between Level 1 and Level 2 for the year ended 31 March 2020 and 31 March 2019

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 Group's reporting dates.

The valuation techniques used for instruments categorised in Levels 1, 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 Group'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 Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group 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 Group is not subject to any externally imposed capital requirements.

37 Provision for Impairment of investment in subsidiary

During the year, the Company's subsidiary Allsec Tech Inc., USA incurred material losses due to non-renewal of a significant customer contract. In addition the subsidiary had accumulated losses primarily on account of the settlement of class action suits in the previous financial year. Accordingly, in line with the Company's policy the investment was tested by the management for impairment. The Company assessed the expected revenues, profitability, cash flows as also the business outlook for the financial year 2020-21 and beyond for the test of impairment. Based on such assessment, the Company concluded that the carrying value of the investments in this subsidiary would be impaired to the extent of the entire carrying value of ₹ 1,214 lakhs. Consequently, the Company has impaired the value of investments in Allsectech Inc, USA as at 31 March 2020 amounting to ₹ 1,214 lakhs and disclosed the same as exceptional item in

Statement of Profit or Loss of the standalone financial statements of the Company for the year ended 31 March 2020. During the previous year the Company had impaired the value of its investment in Retreat Capital Management Inc., USA as at 31 March 2019 amounting to ₹ 1,307 lakhs and disclosed the same as an exceptional item in Statement of Profit or Loss of the standalone financial statements of the Company for the year ended 31 March 2019. Also, the Group has impaired the carrying value of goodwill arising on consolidation of Retreat Capital Management Inc., USA as at 31 March 2019 amounting to ₹ 1,247 lakhs and disclosed the same as an exceptional item in Statement of Profit or Loss of the consolidated financial statements for the year ended 31 March 2019.

38 Dividend

Dividend of ₹ 10 per share on the equity share (100% of par value of ₹ 10 each) has been approved by the Board of Directors in its board meeting held on 23 May 2019 and paid during the financial year 2019-20.

39 Business combination

During the year,the Company acquired on a slump sale basis with effect from 30 September 2019 ,the assets and liabilities of HR Compliance business of Coachieve Solutions Private Limited ('CSPL'), a subsidiary of Quess Corp Limited for a purchase consideration of ₹ 1,680 lakhs against the net liability of ₹ 746 lakhs (including inter-company loans). The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles in respect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and an adjustment of ₹ 2,426 lakhs (debit) has been made to the capital reserve of the Company.

40 Note on Covid 19 assessment

In assessing the recoverability of receivables including unbilled receivables, other contractual assets and related costs and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

41 Approval of Financial Statements

In connection with the preparation of the consolidated financial statements for the year ended 31 March 2020, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on 18 May 2020 in accordance with the provisions of Companies Act, 2013.

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 18, 2020

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

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Suraj Krishna Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 18, 2020

Nataraj Lakshmipathy
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai