MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry trends affecting our business

The outbreak of COVID-19, which led to an economy wide lockdown, poses a challenge and has altered the outlook of the Indian economy in the short term. The Indian economy contracted by 7.3% in FY21 and while it was expected to bounce back strongly with double digit growth in FY22, the current second wave of the pandemic may have an impact on the timing of the recovery. As vaccine coverage increases during the course of the current year, we believe that return to normalcy will happen towards end of Q2 FY22.

In times of such crisis, Companies and employees have rallied and shown to be adaptable. 80% of the global IT/ ITES workforce transitioned to remote working within 3-4 weeks of mobility restrictions. Tech sector's unseen agility led to a glitch-free transition, and globally, work continued seamlessly.

While overall IT spend is estimated to decline in FY2021, momentum in digital spend has only strengthened through the course of COVID-19, led by demand for remote working solutions and enterprise-scale transformations being pulled forward several years ahead. Indian Tech industry's performance is an indication of resilience and readiness to take on the new virtual world.

At an estimated $194 billion, the sector is set to add $4 billion in revenues in FY2021. It is also expected to add 138,000 employees to reach a total direct employment of 4.47 million, and will contribute 52% to overall services exports. IT Services itself is nearing the $100 billion mark backed by a strong deals pipeline and strong digital tailwind. Domestic spend has kept momentum, estimated to grow by 3.4% in FY2021 to clock $45 billion, backed by sustained demand for robust, connected, and secure infrastructure. In fact, domestic demand is set to leapfrog exports growth in FY2021, by nearly 2X. At 28-30% of industry revenue, digital revenues are the true growth story, clocking 5X the rate of overall services growth.

The latter half, H2, of 2021 has witnessed strong recovery of the technology sector in India, and industry largely back to pre-COVID level growth, coupled with strong deal pipelines, and solid margins. Performance is backed by perception, as 67% of CEOs polled in a NASSCOM 2021 CEO Survey expect India's technology sector to grow significantly higher in 2021 as compared to 2020.

IT services: Global IT services spend fell ~4% in 2020 to $692 billion in 2020 as the demand across all sub-segments was adversely impacted due to the pandemic. The impact was also reflected on the global IT sourcing market that saw a slightly negative growth (-0.8%) to reach at $120-$122 billion. On the contrary, India's IT services revenue for FY2021 is expected to witness a 2.7% growth to reach $99 billion; IT services exports likely to cross $80 billion. This growth is being driven by an increased demand for digital transformation and infrastructure modernisation both across global and domestic markets. Acquisitions and partnerships continue to be key strategies for building digital and domain capabilities and expansion across markets & customers.

BPM: Global BPM spend dropped by - 2.4% in 2020 to $198 billion; while sourcing grew by 1.1% to $89-91 billion, a silver lining for the industry even as firms rapidly adapted to new business models to tackle the pandemic by expanding use of cloud & analytics, promoting hyper-automation and diversifying to new delivery centers. India's BPM industry is expected to report positive growth during FY2021 touching revenues of $38 billion. Exports estimated to grow at 2.3% to reach $34 billion, the domestic market is set to see a 2.1% growth over FY2020, driven by higher traction from healthcare and banking & financial services verticals. The industry is seeing a shift from pure services to platform solutions and new revenue streams. Focus continues to be on strengthening the core through transformation and innovation.

Software products & Start-ups: Global software products market has seen a 2.4% decline in spend to $465 billion in 2020. India's software product revenue to cross $9 billion in FY2021, a 2.7% growth. COVID-19 expedited digital transformation with collaboration software becoming more mainstream. Also areas like data analytics, cybersecurity and database management are seeing rise in demand. Growth is also being driven by increasing focus on work from home which lead to higher demand for Cybersecurity and Collaboration software, while migration towards cloud was expedited especially by banks. SaaS also continues the growth run, with companies building specific SME focussed products to help SMEs fast-track digitization.

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 has two wholly owned subsidiaries, Allsectech Inc., USA and Allsectech Manila Inc., Philippines as at 31st March 2021.

The Company operates two segments globally viz Human Resources Operation (HRO) covering HRMS, payroll services, time and attendance management, Labor law and Payroll Compliances: Digital Business Services (DBS) which encompasses lead generation, customer retention and relationship management comprising both voice and non-voice processes. The HRO services and DBS services are delivered from India and the subsidiary in Philippines. In India the DBS business supports both international (DBS International business) and domestic (DBS 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.

The Financial Year 2020-21 will be remembered as a watershed year for many companies across the globe due to the COVID-19 pandemic. At Allsec we continued our focus on employees and customers to minimize disruptions, while rapidly upgrading our technology. The HRO business showcased its BCP capabilities by delivering more than 2.5 million payslips despite global lockdowns in Q1 FY 21, while the DBS business was able to quickly adopt newer technologies to enable voice and non-voice processes to move into work from home mode without compromising on information security controls.

Key Financial Ratios (on Standalone Financials)

Particulars	2020-21	2019-20	Change %
Debtors Turnover Ratio	5.6	6.0	(8)
Interest Coverage Ratio	11.1	18.4	(40)
Current Ratio	4.13	3.88	7
Debt Equity Ratio (%)	0.12	0.12	NIL
Operating Profit Margin (%)	10%	13%	(22)
Net Profit Margin (%)	8%	5%	82
Return on Net Worth (%)	10%	7%	43

Core Competency

Allsec has a 20 year legacy of servicing customers in both the DBS and HRO space. This has helped the Company to build a deep domain knowledge, putting in place processes for continuous training and ensuring robust customer service. Our Customers stand testimony to our track record of providing outstanding service. The Company takes pride on quality delivery, agile and customer centric approach while focussing on process improvements.

Our DBS business continues to provide value added services to our customers with features like omni-channel support, multiple languages support etc. We are a leading provider of outsourced solutions in customer engagement, sales & retention for businesses across BFSI, Telecom, Retail, Healthcare etc.

Allsec manages some of the complex payroll and tax scenarios for both global and domestic organisations across industries. Our payroll and HRMS solutions are flexible to meet the requirements of wide range of Companies. Our labour law and payroll compliance business has provided us with a complete skillset for the entire range of HRO.

Client Acquisition:

The Company has put in place a strong sales team in India, Manila and US and our sales pipeline has been consistently improving. We believe that we will be able to improve on our strong track record and have long term relationships with our domestic and international customers.

In DBS our focus continues to be in the North America market. With our best in class processes, deep domain knowledge and positive existing customer testimonials we believe that there will be a robust sales pipeline and closure.

The HRO business continues to expand despite the COVID-19 induced reduction in sales closures in Q1 FY21. Our sales team is in place across major cities in India and we have sales in presence in Manila as well. The twin engines for growth in this business will come from both domestic and international customers. We are also focussing on providing more end to end services to existing customers.

Quality

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 in Q4 of this year i.e. 2020-21. ISO 27001:2013 certification too was renewed in Q4. All annual renewals and scope expansion were completed successfully in Q4 of the year 2020-21.

Last 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 is completed in Q4. In Q3, 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 have established GDPR framework. In this year, 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 4500 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 80 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 DBS business. Our recruitment team conducted virtual campus drives at various colleges across the country for both DBS & HRO hiring. Employee engagement during a period when most of the employees are working remote is an area that the Company has focused. Multiple virtual events were conducted on occasions to bring together the employees on a virtual platform. We also moved our entire training online and integrated with our HRM. This helped ensure employees did not miss key training events that would help them develop in their career.

RISKS AND CONCERNS

BUSINESS RISKS

The business risks involved in our industry are varied. The DBS International business is affected by the global slowdown and the COVID-19 Pandemic. Towards end of the year, the market in North America showed signs of returning to normalcy and we believe that this area will grow in the current year.

The DBS Domestic business was severely impacted due to the pandemic while the Company was able to rebound from this, the second wave of the pandemic may hit us as hard as the first and this is an area that the Company is closely monitoring.

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 DBS 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 72.26 and a high of INR 76.40. 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 continue 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-19 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 /Labour 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 controls (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 2021, total number of employees stood at 3,805. which is an increase of 433 from the previous year end figure of 3,372.

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, 2021. 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.

RESULTS OF OPERATIONS - PERFORMANCE SUMMARY

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

	2020-21		2019-20		% increase / (decrease) over previous year
	INR In Lakhs	% to Total revenue	INR In Lakhs	% to Total revenue	
Income					
Income - Operations	18,865	99	20,133	97	(6)
Income - Others	232	1	540	3	(57)
A) Income - Total	**19,091**		**20,673**		
Costs					
Employee benefit expenses	11,687	61	12,972	63	(10)
Other expenses	3,502	18	3,045	14	15
B) Costs - Total	**15,189**	**79**	**16,017**	**77**	**(5)**
C) Profit before interest, tax, depreciation and amortisation and exceptional item	**3,902**	**20**	**4,656**	**23**	**(16)**
Depreciation and amortisation	1,719	9	1,455	7	18
Finance costs	210	1	174	1	21
Interest Income	(149)	0	(5)	0	
D) Profit/ (Loss) before tax and exceptional item	**2,128**	**11**	**3,032**	**15**	**(30)**
Exceptional Item			1,214	6	
E) Profit/ (Loss) before tax	**2,128**	**11**	**1,818**	**9**	**17**
Tax	531	3	873	4	(39)
F) Profit/ (Loss) after tax	**1,597**	**8**	**945**	**5**	**69**

Earnings per share data (Basic / Diluted)

YE 31 March 2021	₹ 10.48 / 10.48
YE 31 March 2020	₹ 6.20 / 6.20

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 Segments	31-Mar-21	% of Total Revenue	% of Growth	31-Mar-20	% of Total Revenue
DBS – International	3,560	19	(3)	3,670	18
DBS – Domestic	5,970	32	(17)	7,199	36
HRO – Exports	1,617	8	(6)	1,718	9
HRO – Domestic	7,718	41	2	7,546	37
Total	**18,865**	**100**		**20,133**	**100**

The total revenue of the Company reduced by 6% compared to the previous year.

DBS International revenue largely remained flat, while the domestic business saw a significant de-growth especially in the first half of the year induced by the pandemic related volumes drop.

HRO has remained flat YoY with growth in the domestic business offset by drop in International business.

ii. Other Income

Other income decreased from INR 540 Lakh in the previous year to INR 226 Lakhs in the Current year mainly on account of Decrease in Gain (net) from current investments by INR 190 lakhs and fx movement of INR 140 Lakhs.

iii. Expenditure

During the year total expenditure decreased by INR 528 lakhs.

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

₹ In Lakhs

Cost Category	31-Mar-21	% of Revenue	31-Mar-20	% of Revenue
Employee costs and benefits (Note 1)	11,687	61	12,972	63
General and administration expenses (Note 2)	3,502	18	3,045	14
Finance charges (Note 3)	210	1	174	1
Depreciation (Note 3)	1,719	9	1,455	7
	17,118		**17,646**	

Note 1: The decrease in employee cost is on account of reduction in the employee benefits associated with revenue growth

Note 2: General and admin costs are higher with additional expense incurred on account of COVID amounting to ₹2.45 cr primarily for laptop and desktop hire charges, connectivity costs and staff transportation costs.

Note 3: Finance charges and depreciation charges movement are on account of Ind As 116 transactions.

iv. Tax expense

During this financial year current tax decreased from INR 873 Lakh to INR 531 Lakh due to which the Effective Tax Rate of the Company decreased from 48 % to 28 %.

FINANCIAL CONDITION - BALANCE SHEET

1. Share Capital

The Equity Capital of the Company as on March 31, 2021 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:

₹ In Lakhs

Description	As on 31.03.2021	As on 31.03.2020	Change over previous year
Securities Premium	12,019	12,019	
Capital Reserve	(2,175)	(2,175)	
General Reserve	1,413	1,413	
Retained Earnings	2,848	1,280	1,568
Total	**14,105**	**12,537**	

3. Non-Current Financial Liabilities - Borrowings

Secured loan of INR 1 lakhs represents balance payable towards Finance lease obligation (Vehicle Hypothecation loans). This has decreased by INR 17 lakhs during the year primarily due to repayments during the year and no additional borrowing in current year.

4. Lease liabilities- non current

Lease liabilities amounting to INR 647 Lakh represents the liabilities arising from Leases. Pursuant to the adoption of Ind AS-116 on Leases effective from April 1, 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 INR 59 Lakh.

6. Trade Payables

Trade payables being payable to suppliers of goods and services, accrued salaries has decreased by INR 214 lakhs from INR 1,856 lakhs to INR 1,642 lakhs in FY21.

7. Lease liabilities- current

Lease liabilities amounting to INR 1,183 Lakh represents the current portion of liabilities arising from Leases. Pursuant to the adoption of Ind AS-116 on Leases effective from April 1, 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). The amount stood at INR 15 Lakhs.

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. During the current year, there was no significant movement.

10. Other current provisions

Current Provisions comprises of Gratuity liabilities falling due within next 12 months and liabilities towards compensated absences to employees. During the current year there was no significant movement.

11. Property, Plant and equipment

Additions to Fixed Assets amounted to INR 228 lakhs (previous year: INR 102 lakhs) in tangible fixed assets due to additions to call centre equipment and Computers and Servers –INR 70 lakhs; office equipment of INR 30 lakhs; and lease hold improvement of INR 128 lakhs.

After providing for depreciation of INR 290 lakhs (Previous year: INR 340 lakhs) for the year, the net block of fixed assets stood at INR 522 lakhs as on March 31, 2021 compared to ₹ 640 lakhs as at March 31, 2020.

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 302 lakhs primarily towards HRO IT infrastructure.

The closing net block of intangible assets is INR 466 lakhs as at 31 March 2021 as against INR 318 lakhs for the year ended 31 March 2020.

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 31-03-2021 stood at INR 1,711 Lakh.

14. Non-Current Investments

Total Investments represent the amount of equity capital invested in the subsidiaries.

15. Other Financial Assets

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 INR 121 Lakh mainly due to Security Deposit made for new premise taken on rent at Noida and 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 966 lakhs as against INR 1,244 lakhs on March 31, 2020. MAT Credit utilisation amounting to ₹ 316 Lakh is the main reason for the decrease in the balance during the year.

17. Non-Current tax assets (Net)

Advance tax and tax deducted at source, net off provisions for taxation, stood INR 722 lakhs in current year as compared to INR 1,347 lakhs in last year. This is primarily on account of refunds received during the year for 3 past assessment years.

18. Current Investments

Current investments represent balances invested in mutual funds. The Balance as at 31 March 2021 is INR 4,971 Lakhs (previous year: INR 3,339 lakhs).

19. Trade Receivables

Current Trade receivable remained at INR 3,450 lakhs as at March 31, 2021 as against INR 3,344 lakhs as at March 31, 2020.

The sundry debtor in terms of days of sales (DSO) as at 31 March 2021 is 66 days (60 days for previous year).

20. Cash and Bank Balances

Cash and Bank balances stood at INR 3,876 lakhs as at 31 March 2021 as INR 3,846 lakhs as at 31 March 2020. This represents deposit accounts including margin money deposits amounting to INR 139 lakhs (previous year: INR 135 lakhs) and year end cash and bank balances of INR 3,737 lakhs as at end March 2021 as compared to INR 3,711 lakhs as at end March 2020.

The increase in cash and cash equivalents of INR 90 lakhs during the year represented by

a) Net Cash inflow from operations amounting to INR 3,540 lakhs (previous year cash inflow of INR 3,863 lakhs)

b) Net cash used in Investing activity amounted to INR 2,007 lakhs (previous year net cash inflow of INR 2,706 lakhs) and

c) Net cash used in financing activity amounted to INR 1,442 lakhs (previous year net cash used of INR 4,343 lakhs)

21. Other financial assets

Other financial assets stood at INR 1,411 lakhs in March 31, 2021 as against INR 1,278 lakhs in March 31, 2020. The increase during the year amounting to INR 133 Lakh primarily on account of higher unbilled revenue.

22. Other current assets

Other Current assets were at INR 332 Lakhs compared to INR 219 lakhs in previous year mainly due to higher prepaid expense at the end of the year on account of comprehensive AMC for IT and other assets including additional infrastructures made for HRO.

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