

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Education Foundation

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of TeamLease Education Foundation ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Income and Expenditure, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its surplus including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report but, does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

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

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



Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 04, 2021.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2020 ("the Order) issued by the Ministry of Corporate Affairs in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Income and Expenditure and Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure I" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;
 - (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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



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- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

NA

per Navin Agrawal
Partner

Membership Number: 056102

UDIN: 22056102AJEAYH8175

Place: Bengaluru
Date: May 18, 2022



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF TEAMLEASE EDUCATION FOUNDATION

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

We have audited the internal financial controls with reference to Ind AS financial statements of TeamLease Education Foundation ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud



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may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Navin Agrawal
Partner
Membership Number: 056102

UDIN: 22056102AJEAYH8175

Place: Bengaluru
Date: May 18, 2022



TeamLease Education Foundation
Balance Sheet as at 31 March 2022
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Financial assets			
Investments	4	300.00	-
Income tax assets	5	738.05	16.80
Total non-current assets		1,038.05	16.80
Current assets			
Financial assets			
(ia) Trade receivables	6	2,229.69	252.79
(ib) Unbilled revenues	7	1,636.24	7.14
(ii) Cash and cash equivalents	8	135.06	123.68
(iii) Others	9	288.96	-
Other current assets	10	109.30	18.41
Total current assets		4,399.25	402.02
Total assets		5,437.30	418.82
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	1.00	1.00
Other equity	12	(217.48)	(310.64)
Total equity		(216.48)	(309.64)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	550.00	467.50
(ii) Other financial liabilities	14	68.94	-
Employee defined benefit liabilities	15	44.74	-
Total non-current liabilities		663.68	467.50
Current liabilities			
Financial liabilities			
(i) Trade payables	16	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		847.11	259.60
(b) Total outstanding dues other than micro enterprises and small enterprises		-	-
(ii) Other financial liabilities	14	2,894.03	-
Employee defined benefit liabilities	15	12.00	-
Other current liabilities	17	1,236.96	1.36
Total current liabilities		4,990.10	260.96
Total liabilities		5,653.78	728.46
Total equity and liabilities		5,437.30	418.82

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date


For S.R. BATLIBOI & ASSOCIATES LLI
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants



Per Nayin Agrawal
Partner
Membership Number: 056102



Place: Bangalore
Date: 18 May 2022

For and on behalf of the Board of Directors
TeamLease Education Foundation


Alaka Chanda
Director
DIN: 8856604


Ramani Dathi
Director
DIN: 07332234

Place: Bangalore
Date: 18 May 2022



TeamLease Education Foundation

Statement of Income and Expenditure for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

		Year Ended 31 March 2022	Year Ended 31 March 2021
Income			
Revenue from operations	18	24,601.75	369.57
Other income	19	3.23	413.74
Total income		24,604.98	783.31
Expenses			
Employee benefits expense	20	22,400.06	-
Finance costs	21	39.94	431.11
Other expenses	22	2,072.02	391.48
Total expenses		24,512.02	822.59
Surplus/(Deficit) of Income over Expenditure		92.96	(39.28)
Other comprehensive income			
Items that will not be reclassified to income or expenditure in subsequent periods:	24		
Remeasurement gains on defined benefit obligations		0.20	-
Other comprehensive income for the year		0.20	-
Total comprehensive income/(loss) for the year		93.16	(39.28)
Earnings per equity share:			
Basic and diluted	23	929.62	(392.82)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLI
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

For and on behalf of the Board of Directors
TeamLease Education Foundation



Per Navin Agrawal
Partner
Membership Number: 056102



Alaka Chanda
Director
DIN: 8856604



Ramani Dathi
Director
DIN: 07332234

Place: Bangalore
Date: 18 May 2022

Place: Bangalore
Date: 18 May 2022



TeamLease Education Foundation

Statement of Cash Flows for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Operating activities			
Surplus/(Deficit) of Income over Expenditure		92.96	(39.28)
Adjustments to reconcile surplus/(deficit) to net cash flows:			
Interest income		(3.23)	(413.25)
Finance costs		39.94	431.11
Liabilities/provisions no longer required written back		-	(0.49)
Bad debts written off		1.26	-
Working capital adjustments			
(Increase)/decrease in trade receivables		(1,978.16)	(82.60)
(Increase)/decrease in unbilled revenues and other financial assets		(1,918.06)	129.86
(Increase)/decrease in other assets		(90.88)	(13.34)
Increase/(decrease) in trade payables and other financial liabilities		3,550.47	(215.54)
Increase/(decrease) in other liabilities		1,235.60	(0.26)
Increase/(decrease) in net employee defined benefit liabilities		56.94	-
		986.84	(203.79)
Income tax (payments)/refunds		(721.25)	229.70
Net cash flows from/(used in) operating activities		265.59	25.91
Investing activities			
Investment in related party		(300.00)	-
Loans and advances repaid by related party		-	5,275.00
Interest received		3.23	413.25
Net cash flows (used in)/from investing activities		(296.77)	5,688.25
Financing activities			
Proceeds from/(repayment of) borrowings from related party (net)		82.50	(5,170.92)
Finance costs		(39.94)	(431.11)
Net cash flows from/(used in) financing activities		42.56	(5,602.03)
Net increase in cash and cash equivalents		11.38	112.13
Cash and cash equivalents at the beginning of the year		123.68	11.55
Cash and cash equivalents at the end of the year	8	135.06	123.68

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLI
ICAI Firm Registration Number: I01049W/E300004
Chartered Accountants


Per Navin Agrawal
Partner
Membership Number: 056102



Place: Bangalore
Date: 18 May 2022

For and on behalf of the Board of Directors
TeamLease Education Foundation


Alaka Chanda
Director
DIN: 8856604


Ramani Dathi
Director
DIN: 07332234

Place: Bangalore
Date: 18 May 2022



TeamLease Education FoundationStatement of Changes in Equity for the year ended 31 March 2022
(All amounts in Rs. lakhs, unless otherwise stated)**a. Equity share capital:****Issued, subscribed and fully paid share capital**

	Numbers	Amount
Equity shares of Rs. 10 each:		
At 1 April 2020	10,000	1.00
Additions during the year	-	-
At 31 March 2021	10,000	1.00
Additions during the year	-	-
At 31 March 2022	10,000	1.00

b. Other equity

Particulars	Attributable to equity shareholders of the Company		Total other equity
	Reserves and surplus		
	Share based payment reserve	Retained earnings	
As at 1 April 2020	-	(271.36)	(271.36)
Deficit for the year	-	(39.28)	(39.28)
As at 31 March 2021	-	(310.64)	(310.64)
As at 1 April 2021	-	(310.64)	(310.64)
Surplus for the year	-	92.96	92.96
Other comprehensive income	-	0.20	0.20
Total comprehensive income	-	(217.48)	(217.48)
Share based payment expense	20.04	-	20.04
Less: Cross charge paid to Holding Company	(20.04)	-	(20.04)
As at 31 March 2022	-	(217.48)	(217.48)

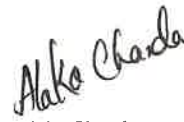
Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLI
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership Number: 056102
For and on behalf of the Board of Directors
TeamLease Education Foundation

Alaka Chanda
Director
DIN:8856604


Ramani Dathi
Director
DIN: 07332234
Place: Bangalore
Date: 18 May 2022Place: Bangalore
Date: 18 May 2022

TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

1 Corporate information

TeamLease Education Foundation (the "Company") is a Section 25 Company incorporated on 27 June 2011. The objective of the Company is to promote & sponsor Educational Institutions including Universities dedicated towards rendering technology based trainings for enhancing employability, work culture, enhanced productivity, economic development and low-cost academic Programmes with employment at the heart of academic offerings. On 21 June 2021, the Company got registered with Ministry of Corporate Affairs for undertaking CSR activities.

The Company is a 100% subsidiary of TeamLease Services Limited.

During the current year, the Company restructured its business under National Employability Through Apprenticeship Program (NETAP). Earlier, all the mandates were with TeamLease Skills University (TLSU) for onboarding the staffing mandates. With effect from June 2021, the Company also started taking staffing mandates directly from certain clients to maximise business opportunities.

The Company has been granted registration under Section 12A of the Income Tax Act, 1961 with effect from 27 May 2021 for undertaking charitable activities, and hence not liable to pay any taxes on its income.

The Company also received approval under Section 80G of the Income Tax Act, 1961 from the Commissioner of Income Tax in respect of donations received from 27 May 2021.

The financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 18 May 2022.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions. Accounting policies are consistently applied.

The financial statements are presented in Indian Rupees and all values are rounded to nearest lakhs except when otherwise stated.

3 Summary of significant accounting policies

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has considered twelve months as its operating cycle.



Alaka Chanda

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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

3.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenues), while invoicing in excess of revenues are classified as Contract Liability (unearned revenues).

The specific recognition criteria described below must also be met before revenue is recognised.

Manpower staffing services

Revenue from manpower staffing services is accounted on accrual basis on performance of the services agreed in the contracts with customers.

CSR grants and donations

CSR grants in the nature of donation from third parties are recognised when received.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included under other income.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of income and expenditure) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through statement of income and expenditure are immediately recognised in the statement of income and expenditure.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Subsequent measurement

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost through effective interest method if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through statement of Income and Expenditure

Financial assets are measured at fair value through statement of income and expenditure unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through statement of income and expenditure are immediately recognised in statement of income and expenditure.



Alaka Chanda

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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company follows "Simplified Approach" for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises provision for ECL based on lifetime ECL at each reporting date, right from initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through statement of income and expenditure.

Derecognition of financial assets

A financial asset is derecognised only when the rights to receive cash flows from the asset have expired or the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Financial liabilities at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short term maturity of these instruments.

Financial liabilities at fair value through statement of Income and Expenditure

Financial liabilities at fair value through statement of income and expenditure include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of income and expenditure.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income and expenditure.

(iii) Offsetting of financial instruments

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

(iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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Notes to the financial statements for the year ended 31 March 2022

3.4 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts, if any.

3.5 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to statement of income and expenditure.

3.6 Employee benefits

Defined benefit plan

Gratuity obligations

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income and is transferred to retained earnings in the statement of changes in equity in the balance sheet. Such accumulated re-measurements are not reclassified to the statement of income and expenditure in subsequent periods.

Past service costs are recognised in statement of income and expenditure on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of income and expenditure:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income.

Compensated absences

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

Defined contribution plan

Contribution to Government Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

3.7 Provisions and contingent liability

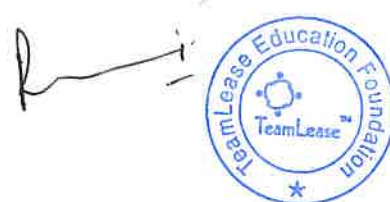
Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income and expenditure net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



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Notes to the financial statements for the year ended 31 March 2022

Contingent liability

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.8 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the surplus/deficit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the surplus attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.9 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Other estimates:

The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations and current economic trends. If the financial condition of a customer deteriorates or there is an overall deterioration in the credit risk macro environment, additional allowances may be required in future.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Financial assets**Note 4: Investments**

Non current, Unquoted (at cost)

Investment in Endowment fund

TeamLease Skill University ("TLSU") (Refer Note 29)

(Refer Note below)

	31 March 2022	31 March 2021
	300.00	-
	300.00	-

Note:

The Company entered into a definitive agreement with TeamLease Skill University and funded Rs. 300 lakhs to set up corpus towards Endowment fund.

Note 5: Income tax assets

Advance income tax

	31 March 2022	31 March 2021
	738.05	16.80
	738.05	16.80

Note 6: Trade receivables

(Unsecured, considered good)

Trade receivables - others

	31 March 2022	31 March 2021
	2,229.69	252.79
	2,229.69	252.79

Trade receivables ageing schedule

As at 31 March 2022

	Current not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	170.48	2,059.21	-	-	-	-	2,229.69
	170.48	2,059.21	-	-	-	-	2,229.69

As at 31 March 2021

	Current not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	238.34	14.45	-	-	-	-	252.79
	238.34	14.45	-	-	-	-	252.79

a) No receivable is due from directors or other officers of the Company either severally or jointly with any other person. For trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 29.

b) Trade receivables are non-interest bearing and with credit period upto 60 days.

c) There are no disputed trade receivables and trade receivables with significant increase in credit risk/credit impaired.

Note 7: Unbilled revenues**Current**

(Unsecured, Considered good)

Unbilled revenues

	31 March 2022	31 March 2021
	1,636.24	7.14
	1,636.24	7.14

Note 8: Cash and cash equivalents

Balances with banks

- On current accounts

	31 March 2022	31 March 2021
	135.06	123.68
	135.06	123.68

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with banks

- On current accounts

	31 March 2022	31 March 2021
	135.06	123.68
	135.06	123.68

Less: Bank overdraft

	135.06	123.68
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Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 9: Other financial assets**Current**

(Unsecured, considered good)

Cross charges receivable from related parties (Refer Note 29)

	31 March 2022	31 March 2021
	288.96	-
	288.96	-

Note 10: Other current assets

(Unsecured, considered good)

Prepaid expenses

Advances to suppliers/others

Advance to employees for expenses

GST input credit

	31 March 2022	31 March 2021
	80.36	1.80
	26.19	-
	2.75	-
	-	16.61
	109.30	18.41

Note 11: Equity share capital**Equity share capital****(i) Authorised equity share capital**

1,000,000 (31 March 2021: 1,000,000) equity shares of Rs. 10 each.

	31 March 2022	31 March 2021
	100.00	100.00

(ii) Issued, subscribed and fully paid-up shares

10,000 (31 March 2021: 10,000) equity shares of Rs. 10 each.

Total issued, subscribed and fully paid-up shares

	1.00	1.00
	1.00	1.00

(iii) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders	31 March 2022		31 March 2021	
	Numbers	% holding	Numbers	% holding
Equity shares of Rs.10 each fully paid TeamLease Services Limited	10,000	100.00	10,000	100.00

(v) Details of shares held by promoters

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
TeamLease Services Limited	10,000	-	10,000	100.00%	-
	10,000	-	10,000		-

As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
TeamLease Services Limited	10,000	-	10,000	100.00%	-
	10,000	-	10,000		

Note 12: Other equity

Retained earnings

	31 March 2022	31 March 2021
	(217.48)	(310.64)
	(217.48)	(310.64)



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 13: Borrowings

Non Current

Unsecured

Loan from Holding Company (Refer Note 29)

31 March 2022	31 March 2021
550.00	467.50
550.00	467.50

Note:

The loan is repayable after a period of 5 years from the date of disbursement and can be renewed further as agreed. The loan is utilised for working capital requirements and carries interest @7.30% p.a. (31 March 2021: 7.30% to 8.50% p.a.).

Note 14: Other financial liabilities

Non-current

Payable to related party (Refer Note 29)

Long-term incentives payable

31 March 2022	31 March 2021
20.04	-
48.90	-
68.94	-

Current

Employees benefits payable

2,894.03	-
2,894.03	-

Note 15: Employee defined benefit liabilities

Non-current

Employee benefits - Gratuity (Refer Note 24)

Employee benefits - Compensated absences

31 March 2022	31 March 2021
22.64	-
22.10	-
44.74	-

Current

Employee benefits - Gratuity (Refer Note 24)

Employee benefits - Compensated absences

3.83	-
8.17	-
12.00	-

Note 16: Trade payables

Current

Total outstanding dues of micro enterprises and small enterprises ("MSME")

Total outstanding dues of creditors other than micro enterprises and small enterprises

31 March 2022	31 March 2021
-	-
847.11	259.60
847.11	259.60

Trade payables ageing schedule

As at 31 March 2022

Particulars

(i) Other than MSME

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Other than MSME	300.22	324.83	222.06	-	-	-	847.11
	300.22	324.83	222.06	-	-	-	847.11

As at 31 March 2021

Particulars

(i) Other than MSME

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Other than MSME	1.18	181.28	77.14	-	-	-	259.60
	1.18	181.28	77.14	-	-	-	259.60

Notes:

a) Trade payables are non-interest bearing and are normally settled on 0 to 30 days terms.

b) There are no disputed trade payables as at 31 March 2022 and 31 March 2021.

c) For trade payables to related parties refer note 29.

d) Based on the information available with the Company, there are no suppliers who are registered as micro, or small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".

Note 17: Other current liabilities

GST payable

Other statutory dues payable

Other liabilities

31 March 2022	31 March 2021
1,134.21	-
29.17	1.36
73.58	-
1,236.96	1.36



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 18: Revenue from operations

	31 March 2022	31 March 2021
Income from manpower staffing services	23,758.54	-
Corporate social responsibility grants	843.21	369.57
	24,601.75	369.57

Note 19: Other income

	31 March 2022	31 March 2021
Interest income on:		
Loans to related parties	-	400.86
Income tax refunds	3.23	12.39
Liabilities/provisions no longer required written back	-	0.49
	3.23	413.74

Note 20: Employee benefits expense

	31 March 2022	31 March 2021
Salaries, wages and bonus	22,326.19	-
Share based payment expense (Refer Note 30)	20.04	-
Gratuity expense	10.52	-
Compensated absences	12.63	-
Contribution to provident fund and other funds	21.17	-
Staff welfare expenses	9.51	-
	22,400.06	-

Note 21: Finance Cost

	31 March 2022	31 March 2021
Interest on loans to related party (Refer Note 29)	39.94	431.11
	39.94	431.11

Note 22: Other expenses

	31 March 2022	31 March 2021
Training expenses (Refer Note 29)	1,217.98	362.18
Rates & taxes	12.71	26.58
Bank charges	1.68	-
Insurance	117.18	-
Legal and professional charges	679.09	1.28
Auditors' remuneration (Refer Note below)	12.00	1.44
Bad debts written off	1.26	-
Travelling and conveyance	18.85	-
Miscellaneous expenses	11.27	-
	2,072.02	391.48

Note: Payment to auditors

	31 March 2022	31 March 2021
As auditor		
Statutory audit fee	10.00	1.27
Tax audit fee	2.00	0.17
	12.00	1.44

Note 23: Earnings per share

The following reflects the income and share data used in the basic and diluted EPS computation:

	31 March 2022	31 March 2021
Surplus/(deficit) attributable to equity shareholders (Rs. in lakhs)	92.96	(39.28)
Nominal value of each equity share (Rs.)	10	10
Weighted average number of equity shares outstanding during the year	10,000	10,000
EPS - basic and diluted (Rs.)	929.62	(392.82)



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 24: Employee benefit obligations

(i) Gratuity

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

The following table summarise the components of net benefit expense recognised in the statement of income and expenditure and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Net defined benefit liability/ (assets)

	31 March 2022	31 March 2021
Present value of defined benefit obligations	26.47	-
Fair value of plan assets	-	-
Net liability	26.47	-
Current	3.83	-
Non-current	22.64	-

Net benefit cost recognised in statement of income and expenditure

	31 March 2022	31 March 2021
Current service cost	10.52	-
Net benefit expense	10.52	-

Remeasurement (gains)/loss in other comprehensive income

	31 March 2022	31 March 2021
Particulars		
Due to change in demographic assumptions	(0.26)	-
Due to change in financial assumptions	0.96	-
Due to change in experience adjustments	(0.90)	-
Actuarial gain recognised in OCI	(0.20)	-

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

	31 March 2022	31 March 2021
Particulars		
Defined benefit obligation at beginning of the year	-	-
Current service cost	10.52	-
Benefits paid	(2.11)	-
Re-measurements		
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.26)	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.96	-
Actuarial (gain)/loss arising from changes in experience adjustment	(0.90)	-
Transfer in	18.26	-
Defined benefit obligation at end of the year	26.47	-

The principal assumptions used in determining gratuity benefit obligation are shown below:

	31 March 2022	31 March 2021
Discount rate	5.7%	-
Salary escalation rate	10%	-
Attrition rate	27%	-
Retirement age	60	-
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	-

Note:

1) The estimates of future salary increase, considered in actuarial valuation, takes into account inflation and other relevant factors such as supply and demand in employment market.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 25: Fair value measurements

Management has assessed that the fair value of cash and cash equivalents, investments, trade receivables, unbilled revenues, trade payables, borrowings, other 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 in the amount at which the instruments could be exchanged in a current transaction between fulfilling parties, other than in a forced or liquidation sale.

Note 26: Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

Financial instruments affected by market risks include trade receivables, trade payables and borrowings.

(i) Foreign Currency Risk

Foreign currency risks is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have foreign currency exposure and hence is not exposed to any foreign currency risks.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and investments and other financial instruments.

Trade receivables

With respect to trade receivables/unbilled revenues, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss.

Financial instruments

Credit risk from balances with the banks and financial institutions are managed by the Company's treasury team based on the Company's policy. Investment of surplus fund is made only with approved counterparties.

Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

The summary of the maturity profile of the Company's financial liabilities is as follows:

	Maturity period	31 March 2022	31 March 2021
Financial liabilities - Current			
Trade payables	Within 1 year	847.11	259.60
Other financial liabilities	Within 1 year	2,894.03	-
		3,741.14	259.60
Financial liabilities - Non current			
Borrowings	1 - 5 years	550.00	467.50
Other financial liabilities	1 - 5 years	68.94	-
		618.94	467.50

Note 27: Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong capital base to ensure independence, to ensure sustained growth in business.

The Company has long-term borrowings from its Holding company, who will continue to provide the capital support as necessary.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus debt as below:

- Equity includes equity share capital and all other equity components, which are attributable to the equity holders.
- Net Debt includes interest bearing borrowings less cash and equivalents.

	31 March 2022	31 March 2021
Long-term borrowings	550.00	467.50
Less: Cash and cash equivalents	(135.06)	(123.68)
Net debt (A)	414.94	343.82
Equity share capital	1.00	1.00
Other equity	(217.48)	(310.64)
Equity (B)	(216.48)	(309.64)
Equity plus net debt (C=A+B)	198.46	34.18
Gearing ratio (D=A/C)	209%	1006%

The Company is regular in payment of interest on long-term borrowings from holding company. No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

Note 28: Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). As the Company is primarily engaged in rendering manpower staffing services and CSR activities, its business activities falls within a single business segment and accordingly there are no additional disclosures to be provided under Ind AS 108 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligations is shown below:

Particulars	31 March 2022		31 March 2021	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	25.48	27.55	-	-
Salary escalation rate	27.28	25.69	-	-
Attrition rate	26.13	26.83	-	-

The following payments are expected contributions to the defined benefit plan in future years

	31 March 2022	31 March 2021
Year 1	4.82	-
Year 2	4.50	-
Year 3	3.96	-
Year 4	3.33	-
Year 5	2.67	-
Next 5 years	7.08	-

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2021: NIL)



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 29: Related party disclosures

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Holding Company	TeamLease Services Limited ('TSL')
b) Fellow Subsidiary	TeamLease Edtech Limited ('TLEL')
c) Key management personnel and their relatives	Mrs. Alaka Chanda - Director (appointed w.e.f. 23 March 2021) Mrs. Rituparna Chakraborty - Director (appointed w.e.f. 23 March 2021) Mrs. Ramani Dathi - Director (appointed w.e.f. 23 March 2021) Mr. Manish Sabharwal - Director (resigned w.e.f. 23 March 2021) Mr. Ashok Kumar Nedurumalli - Director (resigned w.e.f. 23 March 2021) Mr. Ravi Vishwanath - Director (resigned w.e.f. 23 March 2021)
d) Enterprises where key Managerial Personnel or their relatives exercise significant influence (where transactions have taken place)	TeamLease Skills University ('TLSU')

(ii) Transactions with related parties

	31 March 2022	31 March 2021
Interest income from		
TeamLease Skills University	-	400.86
	<u>-</u>	<u>400.86</u>
Revenue from operations		
TeamLease Services Limited	99.30	362.18
TeamLease Edtech Limited	161.18	-
	<u>260.48</u>	<u>362.18</u>
Share based payment expense		
TeamLease Services Limited	20.04	-
	<u>20.04</u>	<u>-</u>
Finance cost		
TeamLease Services Limited	39.94	431.11
	<u>39.94</u>	<u>431.11</u>
Loans and advances given to		
TeamLease Skills University	-	500.00
	<u>-</u>	<u>500.00</u>
Loans and advances repaid by		
TeamLease Skills University	-	5,775.00
	<u>-</u>	<u>5,775.00</u>
Loans and advances received from		
TeamLease Services Limited	1,526.00	597.50
	<u>1,526.00</u>	<u>597.50</u>
Loans and advances repaid to		
TeamLease Services Limited	1,443.50	5,768.42
	<u>1,443.50</u>	<u>5,768.42</u>
Legal and professional charges		
TeamLease Services Limited	629.40	-
	<u>629.40</u>	<u>-</u>
Training expenses		
TeamLease Edtech Limited	1,217.98	-
	<u>1,217.98</u>	<u>-</u>



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

	31 March 2022	31 March 2021
Expenses incurred by the Company on behalf of others - Cross charged		
TeamLease Services Limited	4.14	-
TeamLease Edtech Limited	14.66	-
TeamLease Skills University	398.16	-
	416.96	-
Expenses incurred by others on behalf of Company - Cross charged from		
TeamLease Services Limited	26.62	-
TeamLease Skills University	37.17	-
	63.79	-
Investments in Endowment fund		
TeamLease Skills University	300.00	-
	300.00	-
Employee defined benefit liabilities (Gratuity and Leave Encashment Transfer)		
TeamLease Skills University	43.75	-
	43.75	-
(iii) Outstanding balances as at year ended		
	31 March 2022	31 March 2021
Borrowings		
TeamLease Services Limited	550.00	467.50
	550.00	467.50
Other current financial assets		
TeamLease Edtech Limited	5.36	-
TeamLease Skills University	283.60	-
	288.96	-
Investments in Endowment fund		
TeamLease Skills University	300.00	-
	300.00	-
Trade payables		
TeamLease Services Limited	522.12	257.65
TeamLease Edtech Limited	256.53	-
TeamLease Skills University	10.00	-
	788.65	257.65
Other non current financial liabilities		
TeamLease Services Limited	20.04	-
	20.04	-



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022
(All amounts in Rs. lakhs, unless otherwise stated)

Note 30: Employee Stock Appreciation Rights Plan 2019 (ESAR 2019)

On recommendation of the Nomination and Remuneration Committee of holding company, the Board of Directors and shareholders of holding company approved the ESAR 2019 plan at its meeting held on 9 June 2021 and 3 September 2021 respectively. The ESAR 2019 plan provides stock options appreciation rights to eligible employees of the Company. The grant date of these stock options is 1 July 2021. The stock options will vest after a period of five years from the grant date. The exercise period is 5 years from the date of vesting. The options are granted at the exercise price of Rs. 3,620. The Company will reimburse and pay to holding company cross charge of ESAR granted to the employees.

A. Movement in the stock options appreciation rights granted to employees

Particulars	Number of Stock Appreciation Rights		Weighted average Exercise price (Rs.)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Outstanding at beginning of the year	-	-	-	-
Granted	18,000	-	3,620	-
Forfeited	4,000	-	3,620	-
Expired	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of the year	14,000	-	3,620	-
Exercisable at end of the year	-	-	-	-

B. Fair value of stock options appreciation rights granted

The Black-Scholes valuation model has been used for computing the weighted average fair value considering following inputs:

Variables	31 March 2022	31 March 2021
Weighted average share price on date of grant	3,604	-
Exercise price (Rs.)	3,620	-
Expected volatility	39.23%	-
Life of rights granted in years	5 years	-
Risk free interest rate	6.79%	-
Expected dividend yield (%)	-	-
Fair value of option (Rs.) (A)	1,495	-

The weighted average remaining contractual life for the stock options appreciation rights outstanding as at 31 March 2022 was 4.25 years (31 March 2021: Nil).

The weighted average exercise price of the stock options appreciation rights outstanding is Rs. 3,620 (31 March 2021: Nil).

Stock options appreciation rights expense is Rs. 20.04 lakhs (31 March 2021: Nil) for the year.

Note 31: Contingent liabilities and Commitments

There are no contingent liabilities and commitments.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 32: Financial Ratios (as applicable)

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% change	Reason for variance
a) Current Ratio	Current assets	Current liabilities	0.88	1.54	-42.86%	Refer Note 2 below
b) Debt-Equity Ratio	Total debt	Shareholder's equity	-	-	-	Equity is negative
c) Debt Service Coverage Ratio	Earnings for debt service = Surplus/(deficit) for the year + finance cost	Debt service = Interest on debt + current dues	3.33	0.91	265.93%	Reduction in loan during the year. Also, Refer Note 3
d) Return on Equity Ratio (%)	Surplus/(deficit) for the year	Average shareholder's equity	-	-	-	Equity is negative
e) Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables (including unbilled revenues)	11.93	1.30	817.69%	Refer Note 2 below
f) Trade Payables Turnover Ratio	Other expenses	Average trade payables	3.74	1.06	252.83%	Refer Note 2 below
g) Net Capital Turnover Ratio	Revenue from operations	Average working capital = current assets – current liabilities	-	2.62	-	Average working capital is negative in current year
h) Net Profit Ratio (%)	Surplus/(deficit) for the year	Revenue from operations	0.38%	-10.63%	103.56%	Refer Note 2 below
i) Return on Capital Employed (%)	Earnings before interest and taxes	Capital employed = Shareholder's equity + total debt	39.85%	248.21%	-83.95%	Refer Note 2 below

Note 1

The Company has invested in Endowment fund in TLSU, which is non-interest bearing, hence return on investment ratio is not applicable.

Note 2

Due to increase in business operations during the year, the ratios for this year are not comparable with those of last year.

Note 3

Only interest is considered since the loan taken from Holding Company is long term.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Note 33: Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with struck off companies.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2022
(All amounts in Rs. lakhs, unless otherwise stated)

Note 34: Effect of Covid-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to monitor future economic conditions for any significant change.

Note 35: The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 36: Previous year

The figures of previous year were audited by a firm of chartered accountants other than S.R.Batliboi & Associates, LLP. Previous year's figures have been reclassified, wherever necessary, to conform to the current year's classification.

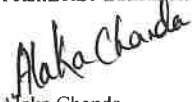
For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants



For Navin Agrawal
Partner
Membership Number: 56102



For and on behalf of the Board of Directors
TeamLease Education Foundation



Alaka Chanda
Director
DIN:8856604



Ramani Dathi
Director
DIN: 07332234

Place: Bangalore
Date: 18 May 2022

Place: Bangalore
Date: 18 May 2022

