

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF TEAMLEASE DIGITAL PRIVATE LIMITED (formerly TeamLease Staffing Services Private Limited)**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **TEAMLEASE DIGITAL PRIVATE LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March, 2022, and the Standalone Statement of Profit and Loss (including other Comprehensive Income), the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### **Basis of our Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion on the Standalone Financial Statements

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the Director's Report but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other reports containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

## **Management's Responsibility for the Standalone Financial Statements for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and board of directors are 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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for Audit of Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Cash Flows and the Standalone Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to explanations given to us, the Company has not paid any remuneration to its directors during the year.
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2022 on its financial position in its standalone financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv)
      - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity (“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;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;
- c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) As per the information and explanation provided by the Company, the Company has not declared or paid any dividend during the year.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

Paresh Daga  
Partner  
M.No. 211468

Place: Bangalore  
Date: May 14, 2022  
UDIN: 22211468AIYVCX1543

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

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

We have audited the internal financial controls with reference to the aforesaid standalone financial statements of TEAMLEASE DIGITAL PRIVATE LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the aforesaid standalone financial statements and such internal financial controls with reference to the aforesaid standalone financial statements were operating effectively as at March 31, 2022, based on the internal financial control with reference to the aforesaid standalone financial statements 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).

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

The Company’s management and board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the aforesaid standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the aforesaid standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the aforesaid standalone financial statements. 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 were established and maintained and whether 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 the aforesaid standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the aforesaid standalone financial statements included obtaining an understanding of such internal financial controls with reference to the aforesaid standalone 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 system with reference to the aforesaid standalone financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control with reference to the aforesaid standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the aforesaid standalone 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 standalone 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 standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to the aforesaid Standalone Financial Statements**

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

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

Paresh Daga  
Partner  
M.No. 211468  
Place: Bangalore  
Date: May 14, 2022  
UDIN: 22211468AIYVCX1543

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a regular programme of Physical verification of fixed assets to cover all the items in a phased manner over a period of 3 years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3 (i)(c) of the Order is not applicable.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) The company does not have any immovable properties and hence reporting under paragraph 3 (i)(e) of the Order is not applicable.
- II.
- a) The Company is in the business of providing Manpower & IT services. Accordingly, it does not hold any physical inventories. Thus, reporting on paragraph 3(ii)(a) of the Order is not applicable.
- b) The Company has been sanctioned working capital limited for more than five crores from a bank on the basis of security of current assets. The quarterly returns or statement filed by the company with such bank is generally in agreement with the books of account of the Company, except for few differences which were not material.
- III. The Company has not made any investments in companies, firms, Limited Liability Partnerships during the year nor the company has granted any loan or guarantee to any company during the year. Thus, reporting on paragraph 3 (iii) of the Order is not applicable.
- IV. According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made .
- V. As per the explanation and information provided, the Company has not accepted any deposit from the public within the meaning if the derivatives issued by Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder, therefore, the provision of clause 3(v) of the Order is not applicable to the company.

VI. The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the Services rendered by the Company and therefore provision of section 3(vi) of the order is not applicable to the company.

VII. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues (other than as detailed below), including Provident Fund, Income-tax, Labour Welfare Fund, Professional Tax, Employee's State Insurance, Service Tax, cess, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. As on March 31, 2022 the Company had undisputed statutory dues outstanding for a period of more than six months from the date they became payable. Details of the same is as under:

(Amount in Lakhs)

SI No	Statutory Dues	Amount outstanding for a period more than six months
1	Tax Deduction at source including interest	24.24
2	Provident Fund	36.91
3	Professional Tax	7.65
4	Employee's State Insurance	3.96
5	Labour Welfare Fund	2.00

- (b) According to the information and explanations given to us there are no dues of duty of customs, sales tax, duty of excise, service tax, Goods and Services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

(Amount in lakhs)

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved
The Income Tax Act, 1961	Income Tax	ITAT	A.Y 2007-08	33.51
The Income Tax Act, 1961	Income Tax	ITAT	A.Y 2014-15	34.74
The Income Tax Act, 1961	Income Tax	CIT(A)	A.Y.2016-17	24.83
Maharashtra State tax on Professional, Trades, Callings and Employments Act, 1975	Professional Tax	Professional Tax Officer	A.Y 2019-18	24.30

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX.

- a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or in repayment of interest thereon to any lender.
- b) According to the information and explanations given to us, we report that Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has raised funds on short-term basis and has not utilised the same for long term purpose.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.

X.

- a) The Company has not raised moneys by way of initial public offer or further public offer or term loans.
- b) During the year company has raised money by issuing compulsorily convertible debentures and in our opinion and according to the information and explanations given to us, the company has utilized the money raised by way of debentures for the purpose for which they were raised. The Company has complied with the provisions of section 42 and 62 of The Act,

XI.

- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) No report under sub-section 12 of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As per the information provided to us, there were also no whistle blower complaints during the financial year. Therefore, the provisions of Clauses 3(xi)(a), (b) and (c) of the said Order are not applicable to the Company.

XII.

According to the information and explanations given to us, in our opinion the Company is not a Nidhi Company as prescribed under section 406 of the Act, and hence reporting under paragraph 3 (xii) of the Order is not applicable.

XIII.

According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

XIV.

In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

XV.

According to the information and explanations given to us, and based on our examination of the records of the Company during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

XVI.

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

XVII.

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

XVIII.

There has been no resignation of the statutory auditors of the Company during the year.

XIX.

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX.

In our opinion, the Company is not required to comply with section 135 (5) & (6) of the Act, and hence reporting under paragraph 3 (xx)(a) & (b) of the Order is not applicable.

XXI.

According to the information and explanations given to us during the course of the audit, the company is not required to prepare consolidated financial statement, hence reporting under paragraph 3(xxi) of the Order is not applicable.

For Manian & Rao,  
Chartered Accountants  
FRN: 001983S

Paresh Daga  
Partner  
M. No. 211468  
Place: Bangalore  
Date: May 14, 2022  
UDIN: 22211468AIYVCX1543

**Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)**

Balance Sheet as at 31 March 2022

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

Particulars	Notes	As at	
		31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	201.75	308.54
Right-of-Use Assets	5	95.41	59.21
Goodwill	6	3,646.95	4,394.31
Other intangible assets	6	555.56	884.08
Intangible assets under Development		-	20.00
<b>Financial assets</b>			
Investments	7	820.00	820.00
Other financial assets	8	50.68	44.43
Deferred tax assets (net)	9	-	218.12
Income tax assets (net)	10	2,660.58	3,099.60
Other non-current assets	11	50.00	-
<b>Total non-current assets</b>		<b>8,080.93</b>	<b>9,848.29</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables			
Billed	12	7,791.53	4,564.28
Unbilled	12	4,267.21	3,273.98
Cash and cash equivalents	13	856.07	1,134.93
Bank balances other than cash and cash equivalents	14	1,603.57	104.08
Other financial assets	8	29.46	39.98
Other current assets	15	967.90	563.94
<b>Total current assets</b>		<b>15,515.74</b>	<b>9,681.19</b>
<b>Total assets</b>		<b>23,596.67</b>	<b>19,529.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	473.50	473.50
Other equity	17	(3,468.81)	(4,442.98)
<b>Total equity</b>		<b>(2,995.31)</b>	<b>(3,969.48)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities:</b>			
<b>Financial liabilities</b>			
Borrowings	18	19,720.00	18,400.00
Lease Liabilities	19	51.07	14.39
Provisions	20	184.39	110.40
Deferred tax liabilities (net)		288.77	
<b>Total non-current liabilities</b>		<b>20,244.23</b>	<b>18,524.79</b>
<b>Current liabilities:</b>			
<b>Financial liabilities</b>			
Borrowings	18	235.00	1,193.36
Lease Liabilities	19	50.18	56.86
Trade payables			
(a) total outstanding dues of micro and small enterprises	21	81.57	72.03
(b) total outstanding dues other than (a) above	21	1,383.77	557.10
Other financial liabilities	22	3,410.77	2,266.97
Provisions	20	89.56	84.70
Other current liabilities	23	1,096.90	743.15
<b>Total current liabilities</b>		<b>6,347.75</b>	<b>4,974.17</b>
<b>Total liabilities</b>		<b>26,591.98</b>	<b>23,498.96</b>
<b>Total equity and liabilities</b>		<b>23,596.67</b>	<b>19,529.48</b>
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 MANIAN & RAO  
ICAI Firm Registration Number : 001983S  
Chartered Accountants

For and on behalf of the Board of Directors



Paresh Daga  
Partner  
Membership Number: 211468

Alaka Chanda  
Director  
DIN:08856604

Ramani Dathi  
Director  
DIN: 08296675

Place: Bangalore  
Date: 14th May, 2022

Place: Bangalore  
Date: 14th May, 2022

**Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)**

Statement of profit and loss for the year ended 31 March 2022

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

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	24	46,261.18	32,935.51
Other income	25	140.80	238.43
<b>Total income</b>		<b>46,401.98</b>	<b>33,173.94</b>
<b>Expenses</b>			
Employee benefits expense	26	37,751.12	28,768.61
Finance Costs	27	1,392.02	1,715.26
Depreciation and amortization expense	28	1,315.80	1,464.56
Other expenses	29	4,264.67	1,421.89
<b>Total expenses</b>		<b>44,723.61</b>	<b>33,370.32</b>
<b>Profit/(Loss) before exceptional item and tax</b>		<b>1,678.37</b>	<b>(196.38)</b>
Exceptional item	44	<b>(172.59)</b>	<b>(300.00)</b>
<b>Profit/ (Loss) before tax</b>		<b>1,505.78</b>	<b>(496.38)</b>
Tax expense:			
- Current tax (Net of MAT credit)		-	-
- Tax adjustment for earlier years		16.11	19.55
Deferred tax charge/ (credit)	30	509.06	564.70
<b>Income tax expense(net)</b>		<b>525.17</b>	<b>584.25</b>
<b>Profit/(Loss) after tax for the period</b>		<b>980.61</b>	<b>(1,080.63)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>	33		
Remeasurement gains/(losses) of defined benefits obligation		(8.61)	30.40
Income tax effect		2.17	(7.65)
<b>Other comprehensive income for the year, net of tax</b>		<b>(6.44)</b>	<b>22.75</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>974.17</b>	<b>(1,057.88)</b>
<b>Earnings per equity share of Rs. 10 each before exceptional item*:</b>			
Basic (Rs.)		<b>24.35</b>	<b>(16.49)</b>
Diluted (Rs.)		<b>8.35</b>	<b>(16.49)</b>
<b>Earnings per equity share of Rs. 10 each after exceptional item*:</b>			
Basic (Rs.)	31	<b>20.71</b>	<b>(22.82)</b>
Diluted (Rs.)	31	<b>7.10</b>	<b>(22.82)</b>

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 MANIAN & RAO  
ICAI Firm Registration Number : 001983S  
Chartered Accountants

For and on behalf of the Board of Directors



Paresh Daga  
Partner  
Membership Number: 211468

Alaka Chanda  
Director  
DIN:08856604

Ramani Dathi  
Director  
DIN: 08296675

Place: Bangalore  
Date: 14th May, 2022

Place: Bangalore  
Date: 14th May, 2022

**Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)**  
Statement of Cash Flows for the year ended 31 March 2022  
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Operating activities</b>		
<b>Profit/(Loss) before tax</b>	1,505.78	(496.38)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment and Right of use assets	197.97	197.69
Amortisation of intangible assets	370.47	519.52
Amortization of Goodwill	747.36	747.36
Finance Costs	12.51	83.84
Interest on MSME	-	0.87
LTI and ESAR Expenses	66.75	-
Liabilities No longer required written back	(18.78)	(29.41)
Profit/(Loss) on sale of asset (net)	-	4.86
Amount payable as per Arbitration Order	-	300.00
Interest paid to Related Party	1,366.65	1,616.80
Interest on Lease Obligation	6.86	9.17
Interest income	(39.79)	(72.70)
Fair value adjustments (net)	-	(0.05)
Provision on Impairment of Loss	-	83.60
Sundry balances written off	34.28	10.57
Input Credit Written Off	4.34	28.14
Bad debts / advances written off and provided for	118.02	(0.39)
Unwinding of discount on Security deposits	(3.00)	(4.34)
Other Income	-	(60.50)
<b>Operating cash flows before working capital changes</b>	<b>4,369.38</b>	<b>2,938.65</b>
<b>Working capital adjustments</b>		
(Increase)/decrease in trade receivables	(3,379.54)	133.03
(Increase)/decrease in loans	-	28.32
(Increase)/decrease in other financial assets	7.27	(0.92)
(Increase)/decrease in Other Assets	(50.00)	47.41
(Increase)/decrease in contract assets	(993.23)	(61.81)
(Increase)/decrease in other current assets	(403.97)	(67.35)
Increase/(decrease) in trade payables	836.20	(400.39)
Increase/(decrease) in other financial liabilities	1,095.79	(143.63)
Increase/(decrease) in other current liabilities	349.41	(207.91)
Increase/(decrease) in provisions	70.24	83.56
<b>Cash generated from operating activities</b>	<b>1,901.55</b>	<b>2,348.97</b>
Income tax paid (including TDS) (net of refunds)	422.91	2,086.17
<b>Net cash flows from operating activities (A)</b>	<b>2,324.47</b>	<b>4,435.14</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (including CWIP)	(32.85)	(154.07)
Sale of property, plant and equipment	-	15.93
Purchase of intangible assets	(22.00)	(21.56)
Consideration paid for acquisition	-	(504.38)
Additional consideration paid for acquisition	-	(300.00)
Loan given to related parties (net of repayments)	-	205.00
Amounts invested in fixed deposits with banks	(1,499.49)	(69.08)
Interest received	39.79	79.05
<b>Net cash flows from / (used in) investing activities (B)</b>	<b>(1,514.55)</b>	<b>(749.11)</b>
<b>Financing activities</b>		
Proceeds from issue of compulsorily convertible debentures (CCDs)	-	758.00
Application money received towards subscription of securities	1,320.00	1,460.00
Proceeds from borrowings (Net of repayments)	(958.36)	(2,299.62)
Finance costs ( Including Prepayments)	(12.51)	(86.98)
Interest on borrowings (including CCDs)	(1,366.65)	(1,630.18)
Repayment of lease liability	(71.26)	(73.80)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>(1,088.78)</b>	<b>(1,872.58)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(278.86)</b>	<b>1,813.45</b>
Cash and cash equivalents at the beginning of the period/year	1,134.93	(678.52)
<b>Cash and cash equivalents at the end of the period/year</b>	<b>856.07</b>	<b>1,134.93</b>

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 MANIAN & RAO  
ICAI Firm Registration Number : 001983S  
Chartered Accountants

For and on behalf of the Board of Directors



Paresh Daga  
Partner  
Membership Number: 211468

Alaka Chanda  
Director  
DIN:08856604

Ramani Dathi  
Director  
DIN: 08296675

Place: Bangalore  
Date: 14th May, 2022

Place: Bangalore  
Date: 14th May, 2022

**Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)**  
Statement of Changes in Equity for the year ended 31st March 2022  
(All amounts in Rs. lakhs, unless otherwise stated)

**a. Equity share capital:**

Balances as at 1 April, 2021	Changes in equity share capital due to prior period errors	Retated balance as at 1 April, 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
473.50	-	473.50	-	473.50

Balances as at 1 April, 2021	Changes in equity share capital due to prior period errors	Retated balance as at 1 April, 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
473.50	-	473.50	-	473.50

\* Also refer note 16

**b. Other equity**

Particulars	Attributable to equity holders of the Company		Total other equity
	Reserves and surplus		
	Securities premium	Retained earnings	Total
<b>As at 1 April 2020**</b>	<b>1,890.00</b>	<b>(5,275.10)</b>	<b>(3,385.10)</b>
Profit/(Loss) for the year	-	(1,080.63)	(1,080.63)
Other comprehensive income	-	22.75	22.75
<b>Total comprehensive income</b>	<b>1,890.00</b>	<b>(6,332.98)</b>	<b>(4,442.98)</b>
Premium received on issue of shares	-	-	-
<b>As at 31 March 2021</b>	<b>1,890.00</b>	<b>(6,332.98)</b>	<b>(4,442.98)</b>
<b>For the Year ended 31 March 2022</b>			
<b>As at 1 April 2021</b>	<b>1,890.00</b>	<b>(6,332.98)</b>	<b>(4,442.98)</b>
Profit/(Loss) for the year	-	980.61	980.61
Other comprehensive income	-	(6.44)	(6.44)
<b>Total comprehensive income</b>	<b>1,890.00</b>	<b>(5,358.81)</b>	<b>(3,468.81)</b>
Premium received on issue of shares	-	-	-
<b>As at 31 March 2022</b>	<b>1,890.00</b>	<b>(5,358.81)</b>	<b>(3,468.81)</b>

\* Also refer note 17

\*\*Includes Amalgamation adjustment Deficit of Rs (2894.67), refer note-43

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 MANIAN & RAO  
ICAI Firm Registration Number : 001983S  
Chartered Accountants

For and on behalf of the Board of Directors



Paresh Daga  
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Place: Bangalore  
Date: 14th May, 2022

Place: Bangalore  
Date: 14th May, 2022

**Teamlease Digital Private Limited (Formerly TeamLease Staffing Services Private Limited)**

Notes to financial statements for the year ended 31 March 2022

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

**Note 44: Exceptional Item**

a) During the year on account of Covid, the company was unable to reconcile the service/project completion with the client for the service provided during April 2020 to June 2021, and thereby could not receive work completion certificate to raise the invoices. Hence the unbilled revenue of Rs 1.72Cr related to above mentioned period has been impaired and shown as an exceptional item in the statement of profit and loss account for the FY 21-22.

b) 'Erstwhile promoters and shareholders of ASAP Info Systems Private Limited ("ASAP") had preferred a claim towards final consideration payable upon fulfilment of certain agreed criteria as per the share purchase agreement dated July 4th 2016. The company had preferred an appeal against the order of arbitration tribunal which was passed in October 2019 in the matter of contingent consideration. The Company and the erstwhile promoters and shareholders of ASAP have now entered into a compromise settlement wherein an amount of INR 300 lakhs has been paid on October 6th 2020 as full and final settlement towards the claim. Provision for such payment has been made and has been treated as exceptional item in the financial statements for the year ended March 31, 2021.

**Note 45: Previous Year Figures**

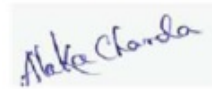
The figures of the previous periods have been regrouped/reclassified/ restated, where necessary, to conform with the current year's classification.

For MANIAN & RAO  
ICAI Firm Registration Number : 001983S  
Chartered Accountants

Partner  
Membership Number: 211468

Date: 14th May, 2022

For and on behalf of the board of directors



Alaka Chanda  
Director  
DIN:08856604

Ramani Dathi  
Director  
DIN: 08296675

Date: 14th May, 2022