

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Education Foundation

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

We have audited the accompanying financial statements of TeamLease Education Foundation ("the Company"), which comprise the Balance sheet as at March 31, 2023, 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 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 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, 2023, its deficit 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 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 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 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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.



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- ▶ 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 financial statements, including the disclosures, and whether the 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. 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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" 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, 2023;



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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the 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 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 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;

b) The management has represented that, to the best of its knowledge and belief except as detailed in Note 36(v), 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.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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


per Navin Agrawal
Partner
Membership Number: 056102
UDIN: 23056102BGUOUS1514



Place of Signature: Bengaluru
Date: May 17, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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 financial statements of TeamLease Education Foundation ("the Company") as of March 31, 2023 in conjunction with our audit of the 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.



Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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: 23056102BGUUQS1514
Place of Signature: Bengaluru
Date: May 17, 2023



TeamLease Education Foundation

Balance Sheet as at 31 March 2023

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

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Financial assets			
Investments	4	300.00	300.00
Loans	5	-	-
Income tax assets	6	272.30	738.05
Other non-current assets	11	232.36	-
Total non-current assets		804.66	1,038.05
Current assets			
Financial assets			
(ia) Trade receivables	7	1,297.30	2,229.69
(ib) Unbilled revenue	8	655.57	1,636.24
(ii) Cash and cash equivalents	9	954.67	135.06
(iii) Others	10	92.28	288.96
Other current assets	11	114.81	109.30
Total current assets		3,114.63	4,399.25
Total assets		3,919.29	5,437.30
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	1.00	1.00
Other equity	13	(219.94)	(217.48)
Total equity		(218.94)	(216.48)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	-	550.00
(ii) Other financial liabilities	15	109.93	68.94
Employee defined benefit liabilities	16	38.11	44.74
Total non-current liabilities		148.04	663.68
Current liabilities			
Financial liabilities			
(i) Borrowings	14	20.00	-
(ii) Trade payables	17	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues other than micro enterprises and small enterprises		1,422.26	847.11
(iii) Other financial liabilities	15	1,962.77	2,894.03
Employee defined benefit liabilities	16	12.01	12.00
Other current liabilities	18	573.15	1,236.96
Total current liabilities		3,990.19	4,990.10
Total liabilities		4,138.23	5,653.78
Total equity and liabilities		3,919.29	5,437.30

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 LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants


Navin Agrawal
Partner
Membership Number: 056102



Place: Bangalore
Date: 17 May 2023

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: 17 May 2023



TeamLease Education Foundation

Statement of Income and Expenditure for the year ended 31 March 2023

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

		Year Ended 31 March 2023	Year Ended 31 March 2022
Income			
Revenue from operations	19	35,499.39	24,601.75
Other income	20	124.40	3.23
Total income		35,623.79	24,604.98
Expenses			
Employee benefits expense	21	32,520.34	22,400.06
Finance costs	22	111.81	39.94
Other expenses	23	3,002.85	2,072.02
Total expenses		35,635.00	24,512.02
(Deficit)/Surplus of Income over Expenditure		(11.21)	92.96
Exceptional Items (net)	24	-	-
(Deficit)/Surplus of Income over Expenditure (after exceptional items)		(11.21)	92.96
Other comprehensive income			
Items that will not be reclassified to income or expenditure in subsequent periods:	26		
Remeasurement gains on defined benefit obligations		8.75	0.20
Other comprehensive income for the year		8.75	0.20
Total comprehensive (loss)/income for the year		(2.46)	93.16
Earnings per equity share:			
Basic and diluted	25	(112.13)	929.62
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 LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants
Per Navin Agrawal
Partner
Membership Number: 056102Place: Bangalore
Date: 17 May 2023For and on behalf of the Board of Directors
TeamLease Education Foundation
Alaka Chanda
Director
DIN:8856604
Ramani Dathi
Director
DIN: 07332234Place: Bangalore
Date: 17 May 2023

TeamLease Education Foundation

Statement of Cash Flows for the year ended 31 March 2023

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

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Operating activities			
(Deficit)/Surplus of Income over Expenditure		(11.21)	92.96
Adjustments to reconcile (deficit)/surplus to net cash flows:			
Interest income		(106.80)	(3.23)
Finance costs		111.81	39.94
Liabilities/ provisions no longer required written back		(0.23)	-
Bad debts written off		8.62	1.26
Provision for expected credit loss		1.11	-
Working capital adjustments			
(Increase)/decrease in trade receivables		922.66	(1,978.16)
(Increase)/decrease in unbilled revenue and other financial assets		1,180.28	(1,918.06)
(Increase)/decrease in other assets		(237.87)	(90.88)
Increase/(decrease) in trade payables and other financial liabilities		(319.25)	3,550.47
Increase/(decrease) in other liabilities		(663.81)	1,235.60
Increase/(decrease) in net employee defined benefit liabilities		2.14	56.94
		887.45	986.84
Income tax refunds/(payments)		465.76	(721.25)
Net cash flows from operating activities		1,353.21	265.59
Investing activities			
Investment in related party		-	(300.00)
Loans and advances given to related party		(1,580.00)	-
Loans and advances repaid by related party		600.00	-
Interest received		103.87	3.23
Net cash flows (used in)/from investing activities		(876.13)	(296.77)
Financing activities			
Proceeds from borrowings from Holding Company		4,730.00	82.50
Repayment of borrowings to Holding Company		(4,280.00)	-
Finance costs		(107.47)	(39.94)
Net cash flows from financing activities		342.53	42.56
Net increase in cash and cash equivalents		819.61	11.38
Cash and cash equivalents at the beginning of the year		135.06	123.68
Cash and cash equivalents at the end of the year	9	954.67	135.06

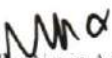
Summary of significant accounting policies

3

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

As per our report of even date

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



Mr Navin Agrawal
Partner
Membership Number: 056102



Place: Bangalore
Date: 17 May 2023

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: 17 May 2023



TeamLease Education Foundation

Statement of Changes in Equity for the period ended 31 March 2023

(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 2021	10,000	1.00
Additions during the year	-	-
At 31 March 2022	10,000	1.00
Additions during the year	-	-
At 31 March 2023	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 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)
As at 1 April 2022	-	(217.48)	(217.48)
Deficit for the year	-	(11.21)	(11.21)
Other comprehensive income	-	8.75	8.75
Total comprehensive income	-	(219.94)	(219.94)
Share based payment expense	25.69	-	25.69
Less: Cross charge paid to Holding Company	(25.69)	-	(25.69)
As at 31 March 2023	-	(219.94)	(219.94)


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 LLP
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants


Per Navin Agrawal
Partner
Membership Number: 056102



For and on behalf of the Board of Directors
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Alaka Chanda
Director
DIN:8856604


Ramani Dathi
Director
DIN: 07332234

Place: Bangalore
Date: 17 May 2023

Place: Bangalore
Date: 17 May 2023



TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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 last financial 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 17 May 2023.

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.



TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

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 as per 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.

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.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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.

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.



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Notes to the financial statements for the year ended 31 March 2023

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.

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.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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.

Impairment of non-current financial assets

Determining whether long-term investments and loans are impaired requires estimation of the value in use of the relevant cash generating business, based on estimates and assumptions relating to operational performance, future cash flows etc.

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.

3.10 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.



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Notes to the financial statements for the year ended 31 March 2023
(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 31)
(Refer Note below)

	31 March 2023	31 March 2022
	300.00	300.00
	300.00	300.00

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

Note 5: Loans**Non-current**

(Unsecured, credit impaired)

Loans to related parties (Refer Note 31)

Less: Impairment of loan (Refer Note below)

	980.00	-
	(980.00)	-
	-	-

Note: On Dec 23, 2022, Department of Higher Education vide notification number F.No.36-27/2018/NVE/QF has discontinued National Employability Enhancement Mission Scheme, which will have adverse impact on continuation of business activities of TeamLease Skills University (TLSU), since TLSU will not be eligible to take fresh enrolments of apprentices under the said Scheme, leading to uncertainty around recovery of loan outstanding from TLSU in foreseeable future. Accordingly, management has impaired loan of Rs. 980 lakhs outstanding from TLSU. Also refer note 31.

Note 6: Income tax assets

Advance income tax

	31 March 2023	31 March 2022
	272.30	738.05
	272.30	738.05

Note 7: Trade receivables

(Unsecured, considered good)

Trade receivables from related parties (Refer Note 31)

Trade receivables - others

(Unsecured, credit impaired)

Trade receivables - others

	31 March 2023	31 March 2022
	29.94	-
	1,267.36	2,229.69
	1.11	-
	1,298.41	2,229.69
	(1.11)	-
	(1.11)	-
	1,297.30	2,229.69

Allowance for expected credit loss

Trade receivables ageing schedule

As at 31 March 2023

	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	253.28	1043.28	0.74	-	-	-	1,297.30
Trade receivable – credit impaired	-	0.17	0.94	-	-	-	1.11
	253.28	1,043.45	1.68	-	-	-	1,298.41

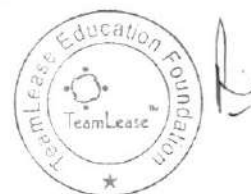
As at 31 March 2022

	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

- 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 31
b) Trade receivables are non-interest bearing and with credit period upto 60 days (31 March 2022: upto 60 days)
c) There are no disputed trade receivables



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023
(All amounts in Rs. lakhs, unless otherwise stated)

Note 8: Unbilled revenues

Current

(Unsecured, Considered good)

Unbilled revenue from related parties (Refer Note 31)

Unbilled revenue

31 March 2023	31 March 2022
20.38	-
635.19	1,636.24
655.57	1,636.24

Note 9: Cash and cash equivalents

Balances with banks

- On current accounts

31 March 2023	31 March 2022
954.67	135.06
954.67	135.06

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

Balances with banks

- On current accounts

31 March 2023	31 March 2022
954.67	135.06
954.67	135.06
-	-
954.67	135.06

Less: Bank overdraft



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Note 10: Other financial assets**Current**

(Unsecured, considered good)

Cross charges receivable from related party (Refer Note 31)

Interest accrued on loan (Refer Note 31)

	31 March 2023	31 March 2022
Cross charges receivable from related party (Refer Note 31)	89.35	288.96
Interest accrued on loan (Refer Note 31)	2.93	-
	92.28	288.96

Note 11: Other assets**Non Current**

(Unsecured, considered good)

Balance with statutory authorities (Refer Note 33)*

	31 March 2023	31 March 2022
Balance with statutory authorities (Refer Note 33)*	232.36	-
	232.36	-

* Paid under protest towards GST

Current

(Unsecured, considered good)

Prepaid expenses

Advances to suppliers/ others

Advance to employees for expenses

	31 March 2023	31 March 2022
Prepaid expenses	72.80	80.36
Advances to suppliers/ others	42.01	26.19
Advance to employees for expenses	-	2.75
	114.81	109.30

Note 12: Equity share capital**Equity share capital****(i) Authorised equity share capital**

1,000,000 (31 March 2022: 1,000,000) equity shares of Rs. 10 each

	31 March 2023	31 March 2022
1,000,000 (31 March 2022: 1,000,000) equity shares of Rs. 10 each	100.00	100.00

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

10,000 (31 March 2022: 10,000) equity shares of Rs. 10 each

	31 March 2023	31 March 2022
10,000 (31 March 2022: 10,000) equity shares of Rs. 10 each	1.00	1.00

Total issued, subscribed and fully paid-up shares

	31 March 2023	31 March 2022
Total issued, subscribed and fully paid-up shares	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 2023		31 March 2022	
	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 2023

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 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		-

Note 13: Other equity

Retained earnings

Share based payment reserves

	31 March 2023	31 March 2022
Retained earnings	(219.94)	(217.48)
Share based payment reserves	-	-
	(219.94)	(217.48)

Nature and purpose of reserves**(i) Share based payment reserves**

This reserve relates to stock appreciation rights granted by the holding company to the employees of the Company under Employee Stock Appreciation Rights Plan 2019 respectively.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023
(All amounts in Rs. lakhs, unless otherwise stated)

Note 14: Borrowings**Non Current**

Unsecured

Loan from Holding Company (Refer Note 31)

Less: Written back on waiver by Holding Company

31 March 2023	31 March 2022
980.00	550.00
(980.00)	-
-	550.00

Current

Unsecured

Loan from Holding Company (Refer Note 31)

31 March 2023	31 March 2022
20.00	-
20.00	-

Note:

1. The loan was repayable after a period of 5 years from the date of disbursement, and renewable further as agreed. The loan was utilised for working capital requirements. The loan carries interest ranging between 7.30% to 8.37% p.a. (31 March 2022: 7.30% p.a.).

2. Out of loan taken from Holding Company, Rs. 1,580 lakhs was utilised for grant of loan to TLSU in current year. As at year end, the balance outstanding from TLSU was Rs. 980 lakhs that has been fully impaired. Consequently, the Holding Company has also waived off loan of corresponding amount as reflected above.

Note 15: Other financial liabilities**Non-current**

Payable to related party (Refer Note 31)

Long-term incentives payable

31 March 2023	31 March 2022
45.73	20.04
64.20	48.90
109.93	68.94

Current

Employees benefits payable

Interest accrued on borrowings (Refer Note 31)

1,958.44	2,894.03
4.33	-
1,962.77	2,894.03

Note 16: Employee defined benefit liabilities**Non-current**

Employee benefits - Gratuity (Refer Note 26)

Employee benefits - Compensated absences

31 March 2023	31 March 2022
19.01	22.64
19.10	22.10
38.11	44.74

Current

Employee benefits - Gratuity (Refer Note 26)

Employee benefits - Compensated absences

4.86	3.83
7.15	8.17
12.01	12.00

Note 17: 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 2023	31 March 2022
-	-
1,422.26	847.11
1,422.26	847.11

Trade payables ageing schedule

As at 31 March 2023

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:	230.33	344.84	847.09	-	-	-	1,422.26
	230.33	344.84	847.09	-	-	-	1,422.26

As at 31 March 2022

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

Notes:

a) Trade payables are non-interest bearing and are normally settled on 0 to 30 days terms (31 March 2022: upto 30 days)

b) There are no disputed trade payables as at 31 March 2023 and 31 March 2022.

c) For trade payables to related parties refer note 31.

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 18: Other current liabilities

GST payable

Other statutory dues payable

Advance from customers

Other liabilities

31 March 2023	31 March 2022
426.74	1,134.21
26.55	29.17
48.72	-
71.14	73.58
573.15	1,236.96



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Note 19: Revenue from operations

	31 March 2023	31 March 2022
Income from staffing services	34,491.83	23,758.54
Corporate social responsibility grants	1,007.56	843.21
	35,499.39	24,601.75

Note 20: Other income

	31 March 2023	31 March 2022
Interest income on:		
Loans to related parties	63.12	-
Income tax refunds	43.68	3.23
Liabilities/ provisions no longer required written back	0.23	-
Miscellaneous income	17.37	-
	124.40	3.23

Note 21: Employee benefits expense

	31 March 2023	31 March 2022
Salaries, wages and bonus	32,406.68	22,326.19
Share based payment expense (refer note 32)	25.69	20.04
Gratuity expense	11.46	10.52
Compensated absences	18.38	12.63
Contribution to provident fund and other funds	37.05	21.17
Staff welfare expenses	21.08	9.51
	32,520.34	22,400.06

Note 22: Finance Cost

	31 March 2023	31 March 2022
Interest on loans to related party (refer note 31)	111.81	39.94
	111.81	39.94

Note 23: Other expenses

	31 March 2023	31 March 2022
Training expenses (Refer Note 31)	1,644.05	1,217.98
Rent	91.85	-
Rates & taxes	2.77	12.71
Bank charges	0.56	1.68
Insurance	138.39	117.18
Legal and professional charges	969.77	679.09
Auditors' remuneration (Refer note below)	16.08	12.00
Bad debts written off	8.62	1.26
Provision for expected credit loss	1.11	-
Travelling and conveyance	117.01	18.85
Miscellaneous expenses	12.64	11.27
	3,002.85	2,072.02

Note: Payment to auditors

	31 March 2023	31 March 2022
As auditor		
Statutory audit fee	14.00	10.00
Tax audit fee	1.00	2.00
Out of pocket expenses	1.08	-
	16.08	12.00

Note 24: Exceptional Items

	31 March 2023	31 March 2022
Impairment of loan (refer note 5)	980	-
Waiver of loan by Holding Company (refer note 14)	(980)	-
	-	-

Note 25: Earnings per share

The following reflects the (deficit) surplus and share data used in basic and diluted EPS computation.

	31 March 2023	31 March 2022
(Deficit) Surplus attributable to equity shareholders (Rs. in lakhs)	(11.21)	92.96
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.)	(112.13)	929.62



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023
(All amounts in Rs. lakhs, unless otherwise stated)

Note 26: 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 5 years 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 profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Net defined benefit liability/ (assets)

	31 March 2023	31 March 2022
Present value of defined benefit obligations	23.87	26.47
Fair value of plan assets	-	-
Net liability	23.87	26.47
Current	4.86	3.83
Non-current	19.01	22.64

Net benefit cost recognised in statement of income and expenditure

	31 March 2023	31 March 2022
Current service cost	10.11	10.56
Interest cost on defined benefit obligation	1.35	(0.04)
Net benefit expense	11.46	10.52

Remeasurement (gains)/loss in other comprehensive income

Particulars	31 March 2023	31 March 2022
Due to change in demographic assumptions	-	(0.26)
Due to change in financial assumptions	(1.75)	0.96
Due to change in experience adjustments	(7.00)	(0.90)
Actuarial gain recognised in OCI	(8.75)	(0.20)

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

Particulars	31 March 2023	31 March 2022
Defined benefit obligation at beginning of the year	26.47	-
Current service cost	10.11	10.56
Interest cost on defined benefit obligation	1.35	(0.04)
Benefits paid	(5.31)	(2.11)
Re-measurements		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0.26)
Actuarial (gain)/loss arising from changes in financial assumptions	(1.75)	0.96
Actuarial (gain)/loss arising from changes in experience adjustment	(7.00)	(0.90)
Transfer in	-	18.26
Defined benefit obligation at end of the year	23.87	26.47

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

	31 March 2023	31 March 2022
Discount rate	7.11%	5.7%
Salary escalation rate	7.00%	10%
Attrition rate	27%	27%
Retirement age	60	60
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	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 2023

(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 2023		31 March 2022	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	23.08	24.73	25.48	27.55
Salary escalation rate	24.52	23.24	27.28	25.69
Attrition rate	23.70	24.05	26.13	26.83

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

	31 March 2023	31 March 2022
Year 1	4.42	4.82
Year 2	3.84	4.50
Year 3	3.16	3.96
Year 4	3.31	3.33
Year 5	2.58	2.67
Next 5 years	6.35	7.08

The weighted average duration of defined benefit obligation at the end of the reporting period is 3 years (31 March 2022: 2 years)



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Note 27: Fair value measurements

Management has assessed that the fair value of cash and cash equivalents, investments, trade receivables, unbilled revenue, 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 28: 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 receivable, trade payable 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 revenue, 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.

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

The following table summarises the changes in the loss allowance measured using ECL:

Particulars	31-Mar-23	31-Mar-22
Opening balance	-	-
Amount provided during the year	1.11	-
Closing provision	1.11	-

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.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

(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.

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

	Maturity period	31 March 2023	31 March 2022
Financial liabilities - Current			
Trade payables	Within 1 year	1,422.26	847.11
Other financial liabilities	Within 1 year	1,962.77	2,894.03
Borrowings	Within 1 year	20.00	-
		3,405.03	3,741.14
Financial liabilities - Non current			
Borrowings	1 - 5 years	-	550.00
Other financial liabilities	1 - 5 years	109.93	68.94
		109.93	618.94

Note 29: 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 had 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 2023*	31 March 2022
Long-term borrowings	-	550.00
Less: Cash and cash equivalents	-	(135.06)
Net debt (A)	-	414.94
Equity share capital	-	1.00
Other equity	-	(217.48)
Equity (B)	-	(216.48)
Equity plus net debt (C=A+B)	-	198.46
Gearing ratio (D=A/C)	-	209%

* The Company has very minimal amount of borrowings. The existing surplus funds along with the cash generated by the Company are sufficient to meet its current and non-current obligations and working capital requirement.

The Company was 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 30: 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 2023

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

Note 31: 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') TeamLease Digital Private Limited ('TDPL') TeamLease HR Tech Private Limited ('HRTech')
c) Key management personnel and their relatives	Mrs. Alaka Chanda - Director Mrs. Rituparna Chakraborty - Director Mrs. Ramani Dathi - Director
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

Transactions with related parties	31 March 2023	31 March 2022
Interest income from		
TeamLease Skills University	63.12	-
Total	63.12	-
Revenue from operations		
TeamLease Services Limited	186.74	99.30
TeamLease Edtech Limited	1.07	161.18
TeamLease Digital Private Limited	69.70	-
Total	257.51	260.48
Other Income		
TeamLease Skills University	4.90	-
Total	4.90	-
Share based payment expense		
TeamLease Services Limited	25.69	20.04
Total	25.69	20.04
Finance cost		
TeamLease Services Limited	111.81	39.94
Total	111.81	39.94
Loans and advances given to		
TeamLease Skills University	1,580.00	-
Total	1,580.00	-
Loans and advances repaid by		
TeamLease Skills University	600.00	-
Total	600.00	-
Borrowings received from		
TeamLease Services Limited	4,730.00	1,526.00
Total	4,730.00	1,526.00
Borrowings repaid to		
TeamLease Services Limited	4,280.00	1,443.50
Total	4,280.00	1,443.50
Legal and professional charges		
TeamLease Services Limited	873.59	629.40
TeamLease HR Tech Private Limited	0.77	-
Total	874.36	629.40



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Transactions with related parties	31 March 2023	31 March 2022
Training expenses		
TeamLease Edtech Limited	1,488.58	1,217.98
TeamLease Services Limited	53.53	-
Total	1,542.11	1,217.98
Expenses incurred by the Company on behalf of others - Cross charged to		
TeamLease Services Limited	-	4.14
TeamLease Edtech Limited	0.60	14.66
TeamLease Skills University	578.85	398.16
Total	579.45	416.96
Expenses incurred by others on behalf of Company - Cross charged		
TeamLease Services Limited	88.42	26.62
TeamLease Skills University	-	37.17
TeamLease HR Tech Private Limited	4.66	-
Total	93.08	63.79
Investments in Endowment fund		
TeamLease Skills University	-	300.00
Total	-	300.00
Employee defined benefit Expense (Gratuity and Leave Encashment)		
TeamLease Skills University	-	43.75
Total	-	43.75
Impairment of loan		
TeamLease Skills University	980.00	-
Total	980.00	-
Loan written back / waived		
TeamLease Services Limited	980.00	-
Total	980.00	-
Guarantee taken from		
TeamLease Services Limited	450.00	-
Total	450.00	-
Outstanding balances as at year ended		
Borrowings		
TeamLease Services Limited	20.00	550.00
Total	20.00	550.00
Other current financial assets		
TeamLease Edtech Limited	-	5.36
TeamLease Skills University	92.28	283.60
Total	92.28	288.96
Investments in Endowment fund		
TeamLease Skills University	300.00	300.00
Total	300.00	300.00
Trade receivables		
TeamLease Services Limited	29.94	-
Total	29.94	-
Unbilled revenue		
TeamLease Services Limited	13.83	-
TeamLease Digital Private Limited	6.55	-
Total	20.38	-
Trade payables		
TeamLease Services Limited	901.40	522.12
TeamLease Edtech Limited	435.31	256.53
TeamLease Skills University	-	10.00
TeamLease HR Tech Private Limited	0.23	-
Total	1,336.94	788.65



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Outstanding balances as at year ended	31 March 2023	31 March 2022
Other non current financial liabilities		
TeamLease Services Limited	45.73	20.04
Total	45.73	20.04
Other current financial liabilities		
TeamLease Services Limited	4.33	-
Total	4.33	-
Guarantee		
TeamLease Services Limited	450.00	-
Total	450.00	-



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Note 32: 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, 3 September 2021 and 17 May 2022 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 and 1 July 2022 respectively. 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. 3,300 (31 March 2022: 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 2023	31 March 2022	31 March 2023	31 March 2022
Outstanding at beginning of the year	14,000	-	3,620	-
Granted	2,000	18,000	3,300	3,620
Forfeited	(2,000)	(4,000)	3,300	3,620
Expired	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of the year	14,000	14,000	3,620	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 2023	31 March 2022
Weighted average share price on date of grant	3,300	3,604
Exercise price (Rs.)	3,300	3,620
Expected volatility	38.43%	39.23%
Life of rights granted in years	5 years	5 years
Risk free interest rate	7.31%	6.79%
Expected dividend yield (%)	-	-
Fair value of option (Rs.) (A)	1,385	1,495

The weighted average remaining contractual life for the stock options appreciation rights outstanding as at 31 March 2023 was 3.25 years (31 March 2022: 4.25 years).

The weighted average exercise price of the stock options appreciation rights outstanding is Rs. 3,620 (31 March 2022: Rs. 3,620).

Stock options appreciation rights expense is Rs. 25.69 lakhs (31 March 2022: Rs. 20.04 lakhs) for the year.

Note 33: Contingent liabilities and Commitments

(a) GST matters in dispute*

31 March 2023	31 March 2022
232.36	-

* Full amount paid under protest against GST demands for period upto 31 March 2022 for certain customers, who have disputed against levy of such GST. The matter is pending in Hon'ble High Court of Karnataka.



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Note 34: Financial Ratios (as applicable)

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance
a) Current Ratio	Current assets	Current liabilities	0.78	0.88	-11.36%	
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 + Non-cash operating expense	Debt service = Interest on debt + current dues	0.84	3.33	-74.77%	Decrease due to increase in finance cost and current dues of long term loan.
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 revenue)	12.20	11.93	2.26%	
f) Trade Payables Turnover Ratio	Other expenses	Average trade payables	2.64	3.74	-29.41%	Higher payables
g) Net Capital Turnover Ratio	Revenue from operations	Average working capital = current assets - current liabilities	-	-	-	Average working capital is negative
h) Net Profit Ratio (%)	Surplus/(deficit) for the year	Revenue from operations	-0.03%	0.38%	-107.89%	Decrease in profit due to higher finance cost
i) Return on Capital Employed (%)	Earnings before interest and taxes	Capital employed = Shareholder's equity + total debt	-	39.85%	-	Capital employed is negative in current year

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 35: Transactions with struck off companies

Name of struck off Company	Nature of transactions with struck-off Company	Transactions during the year ended 31 March 2023	Transactions during the year ended 31 March 2022	Receivables / (payable) as at 31 March 2023 (net)	Receivables / (payable) as at 31 March 2022 (net)	Relationship with the struck-off Company
Banco Products India Limited	Sale of services	156.03	156.03	(8.31)	15.85	Customer
Knorr-Bremse India Pvt. Ltd.	Sale of services	182.53	109.44	14.71	18.76	Customer
Advance Valves Pvt Ltd	Sale of services	0.77	1.24	(0.01)	0.27	Customer

Note: The above transactions are in normal course of business



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TeamLease Education Foundation

Notes to the financial statements for the year ended 31 March 2023

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

Note 36: 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 do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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.
- (v) Except as detailed in note 14 and note 31 in respect of loans received from Holding Company of Rs. 1,580 lakhs and simultaneously lent to TL.SU, a related party during the year, 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.
- (vi) The company has not surrendered or disclosed any 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 2023
(All amounts in Rs. lakhs, unless otherwise stated)


Note 37: 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 38: Previous year

Previous year's figures have been reclassified, wherever necessary, to conform to the current year's classification.

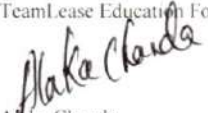
For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W/100004
Chartered Accountants


Navin Agrawal
Partner
Membership Number: 56102



Place: Bangalore
Date: 17 May 2023

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


Anaka Chanda
Director
DIN: 8856604


Ramani Dathi
Director
DIN: 07332234

Place: Bangalore
Date: 17 May 2023

