

TeamLease Digital Private Limited
Financial Statements
For the Year Ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Digital Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TeamLease Digital Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive loss, 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 material 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, 2024, its profit including other comprehensive loss, 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's 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 loss, 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.



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- ▶ 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 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.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these financial statements are merged numbers due to amalgamation of I.M.S.I. Staffing Private Limited and Keystone Business Solutions Private Limited with the Company, which has been audited by the another firm of chartered accountants, who expressed an unmodified opinion on those financial statements on May 14, 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 except for the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



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- (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 2" 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, 2024;
- (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g);
- (i) 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 37 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, 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



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- 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. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data using privileged/ administrative access rights and master data changes as described in note 42(ix) to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

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



Per Navin Agrawal
Partner
Membership Number: 056102
UDIN: 24056102BKFVIU3284
Place of Signature: Bengaluru
Date: May 22, 2024



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on the Financial Statements of TeamLease Digital Private Limited.

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment were physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Material discrepancies identified on such verification were properly dealt with in the books of accounts in the current year.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or any other parties are as follows:

| Particulars | (Rs. In crores) |
|---|-----------------|
| Aggregate amount granted/ provided during the year | |
| Fellow Subsidiary Company | 2.70 |
| Balance outstanding as at balance sheet date in respect of above | |
| Fellow Subsidiary Company | 1.99 |



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(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loans and advances in the nature of loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, employees' state insurance, income-tax, service tax, labour welfare fund, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been significant delay in provident fund and professional tax in many cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, professional tax, labour welfare fund, duty of custom, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:



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| Name of the Statute | Nature of the dues | Amount (Rs. in crores) | Period to which the amount relates | Due Date | Date of Payment | Remark, if any |
|--------------------------------------|--------------------|------------------------|------------------------------------|----------|-----------------|----------------|
| Employee Provident Fund Act, 1952 | Provident Fund | 0.17 | FY 22-23 and prior years | Various | - | - |
| Employee Provident Fund Act, 1952 | Provident Fund | 0.20 | FY 23-24 | Various | - | - |
| Professional Tax (Various State Act) | Professional Tax | 0.01 | FY 23-24 | Various | - | - |

(b) The dues of income-tax and professional tax that have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs in crores) | Period to which the amount relates | Forum where dispute is pending |
|---|------------------|-----------------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax | 0.07 | AY 2007-08 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 0.12 | AY 2014-15 | |
| Income Tax Act, 1961 | Income Tax | 0.24 | AY 2016-17 | |
| Maharashtra State tax on Professional, Trades, Callings and Employments Act, 1975 | Professional Tax | 0.18* | FY 2018-19 | Professional Tax Officer |

* net of amount paid under protest Rs. 0.06 crores.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.



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- (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 does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer /debt instruments hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii) (a) to (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.



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- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

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



per Navin Agrawal
Partner
Membership Number: 056102
UDIN: 24056102BKFVIU3284



Place: Bengaluru
Date: May 22, 2024

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of TeamLease Digital Private Limited**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 Digital Private Limited ("the Company") as of March 31, 2024 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, 2024, 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

MMO

Per Navin Agrawal
Partner
Membership Number: 056102
UDIN: 24056102BKFVIU3284
Place of Signature: Bengaluru
Date: May 22, 2024



TeamLease Digital Private Limited

Balance Sheet as at 31 March 2024

CIN:U74999MH2016PTC283227


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

| | Notes | As at 31 March 2024 | As at 31 March 2023 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 0.67 | 1.62 |
| Right of use assets | 5 | 3.15 | 4.87 |
| Goodwill | 6 | 21.53 | 29.00 |
| Other intangible assets | 6 | 0.26 | 3.30 |
| Financial assets | | | |
| (i) Loans | 7 | 1.99 | 0.38 |
| (ii) Others | 8 | 1.56 | 2.11 |
| Income tax assets (net) | 10 | 26.08 | 24.51 |
| Other non-current assets | 11 | 0.06 | 0.06 |
| Total non-current assets | | 55.30 | 65.85 |
| Current assets | | | |
| Financial assets | | | |
| (i) (a) Trade receivables | 12 | 95.20 | 98.21 |
| (i) (b) Unbilled revenue | 13 | 49.35 | 51.83 |
| (ii) Cash and cash equivalents | 14 | 68.04 | 13.37 |
| (iii) Bank balances other than cash and cash equivalents | 14 | 25.37 | 49.18 |
| (iv) Others | 8 | 1.97 | 0.88 |
| Other current assets | 15 | 4.96 | 5.37 |
| Total current assets | | 244.89 | 218.84 |
| Total assets | | 300.19 | 284.69 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 16 | 5.94 | 5.94 |
| Other equity | 17 | 5.41 | (0.40) |
| Total equity | | 11.35 | 5.54 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 197.20 | 197.20 |
| (ii) Lease liabilities | 19 | 1.99 | 3.35 |
| (iii) Other financial liabilities | 22 | 0.14 | 3.15 |
| Employee benefit obligations | 20 | 4.24 | 4.03 |
| Deferred tax liabilities (net) | 9 | 1.94 | 3.66 |
| Total non-current liabilities | | 205.51 | 211.39 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 19 | 1.37 | 1.52 |
| (ii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 21 | 5.63 | 0.33 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 21 | 21.08 | 12.96 |
| (iii) Other financial liabilities | 22 | 34.79 | 33.03 |
| Employee benefit obligations | 20 | 2.17 | 1.10 |
| Other current liabilities | 23 | 18.29 | 18.82 |
| Total current liabilities | | 83.33 | 67.76 |
| Total liabilities | | 288.84 | 279.15 |
| Total equity and liabilities | | 300.19 | 284.69 |
| Summary of material 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
TeamLease Digital Private Limited


Ramani Dathi
Director
DIN: 08296675


Alaka Chanda
Director
DIN: 08856604

Place: Bangalore
Date: 22 May 2024

Place: Bangalore
Date: 22 May 2024

TeamLease Digital Private Limited

Statement of Profit and Loss for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

| | Notes | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 24 | 589.95 | 568.58 |
| Other income | 25 | 5.33 | 7.79 |
| Total income | | 595.28 | 576.37 |
| Expenses | | | |
| Employee benefits expense | 26 | 474.27 | 481.38 |
| Finance costs | 27 | 19.26 | 16.92 |
| Depreciation and amortization expense | 28 | 13.18 | 12.84 |
| Other expenses | 29 | 78.42 | 50.79 |
| Total expenses | | 585.13 | 561.93 |
| Profit before tax | | 10.15 | 14.44 |
| Tax expense: | | | |
| - Current tax | 10 | 5.42 | 2.56 |
| - Tax adjustment for earlier years | 10 | 0.09 | 0.18 |
| - Deferred tax (credit)/charge | 9 | (1.58) | 0.84 |
| Income tax expense | | 3.93 | 3.58 |
| Net Profit for the year | | 6.22 | 10.86 |
| Other comprehensive income | | | |
| Other comprehensive (loss)/income not be reclassified to profit or loss in subsequent periods: | | | |
| Remeasurement (loss)/gain on defined benefit obligations | | (0.55) | 1.06 |
| Income tax effect | | 0.14 | (0.27) |
| Other comprehensive (loss)/income for the year, net of tax | | (0.41) | 0.79 |
| Total comprehensive income for the year, net of tax | | 5.81 | 11.65 |
| Earnings per equity share | | | |
| Basic (amount in Rs.) | 30 | 10 | 18 |
| Diluted (amount in Rs.) | | 10 | 18 |

Summary of material 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

Place: Bangalore
Date: 22 May 2024



For and on behalf of the Board of Directors
TeamLease Digital Private Limited



Ramani Dathi
Director
DIN: 08296675



Alaka Chanda
Director
DIN: 08856604

Place: Bangalore
Date: 22 May 2024

TeamLease Digital Private Limited
Statement of Cash Flows for the year ended 31 March 2024
CIN:U74999MH2016PTC283227
(All amounts in Rs. crores, unless otherwise stated)


| | Notes | As at 31 March 2024 | As at 31 March 2023 |
|---|-------|------------------------|------------------------|
| Operating activities | | | |
| Profit before tax | | 10.15 | 14.44 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation and amortization expense | | 13.18 | 12.84 |
| Finance costs | | 19.26 | 16.92 |
| Liabilities no longer required written back | | (0.21) | (0.12) |
| Profit/(loss) on disposal of asset (net) (31 March 2024: Nil; 31 March 2023: Rs.44,100) | | - | (0.00) |
| Interest income | | (4.92) | (7.01) |
| Fair value adjustments (net) | | (0.05) | (0.02) |
| Sundry balances written off | | 0.89 | 0.46 |
| Bad debts written off | | 0.78 | 1.79 |
| Provision/(reversal) for expected credit loss | | 0.27 | (0.75) |
| Working capital adjustments | | | |
| (Increase)/decrease in trade receivables | | 1.96 | (14.21) |
| (Increase)/decrease in unbilled revenue | | 2.48 | (3.17) |
| (Increase)/decrease in other financial assets | | (0.54) | (1.93) |
| (Increase)/decrease in other assets | | 0.40 | 2.51 |
| Increase/(decrease) in trade payables | | 13.43 | (2.83) |
| Increase/(decrease) in other financial liabilities | | (1.24) | (1.67) |
| Increase/(decrease) in other current liabilities | | (1.22) | 6.35 |
| Increase/(decrease) in net employee benefit obligations | | 0.73 | 2.39 |
| Cash generated from operating activities | | 55.35 | 25.99 |
| Income tax (payments)/refunds | | (7.08) | 3.89 |
| Net cash flows from operating activities | | 48.27 | 29.88 |
| Investing activities | | | |
| Purchase of property, plant and equipment (including CWIP) | | - | (0.86) |
| Purchase of intangible assets (31 March 2024: Nil; 31 March 2023: Rs.9,800) | | - | (0.00) |
| Sale of property, plant and equipment | | - | 0.01 |
| Loans and advances given to related party | | (2.70) | (3.09) |
| Loans and advances repaid by related party | | 1.09 | 2.71 |
| Maturity/(investments) in fixed deposits (net) | | 23.81 | (20.65) |
| Interest received | | 4.97 | 6.63 |
| Net cash flows from/(used in) investing activities | | 27.17 | (15.25) |
| Financing activities | | | |
| Finance costs (including of lease liabilities) | | (19.26) | (16.92) |
| Repayment of principal portion of lease liabilities | | (1.51) | (0.83) |
| Net cash flows used in financing activities | | (20.77) | (17.75) |
| Net increase/(decrease) in cash and cash equivalents | | 54.67 | (3.12) |
| Cash and cash equivalents at the beginning of the year | | 13.37 | 16.49 |
| Cash and cash equivalents at the end of the year | 14 | 68.04 | 13.37 |

Summary of material 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

Place: Bangalore
Date: 22 May 2024



For and on behalf of the Board of Directors
TeamLease Digital Private Limited


Ramani Dathi
Director
DIN: 08296675


Alaka Chanda
Director
DIN: 08856604

Place: Bangalore
Date: 22 May 2024

TeamLease Digital Private Limited

Statement of Changes in Equity for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

a. Equity share capital:**(i) Issued, subscribed and fully paid share capital****Equity shares of Rs. 10 each:****At 1 April 2022**

Additions during the year

At 31 March 2023

Additions during the year

At 31 March 2024

| | Numbers | Amount (in Rs. crores) |
|---------------------------|-----------|---------------------------|
| At 1 April 2022 | 4,735,000 | 4.74 |
| Additions during the year | - | - |
| At 31 March 2023 | 4,735,000 | 4.74 |
| Additions during the year | 1,204,076 | 1.20 |
| At 31 March 2024 | 5,939,076 | 5.94 |

(ii) Shares pending issuance (Refer Note 39)**Equity shares of Rs. 10 each:****At 1 April 2022**

Additions during the year

At 31 March 2023

Equity shares issued during the year

At 31 March 2024

| | Numbers | Amount (in Rs. crores) |
|--------------------------------------|-------------|---------------------------|
| At 1 April 2022 | 1,204,076 | 1.20 |
| Additions during the year | - | - |
| At 31 March 2023 | 1,204,076 | 1.20 |
| Equity shares issued during the year | (1,204,076) | (1.20) |
| At 31 March 2024 | - | - |

As at 31 March 2023**As at 31 March 2024****5,939,076****5.94****5,939,076****5.94****b. Other equity**

| Particulars | Attributable to equity share holders of the Company | | | | Total other equity |
|--|--|-----------------------|---------------------------------|----------------------|-----------------------|
| | Reserves and surplus | | | | |
| | Capital Reserve | Securities premium | Share based payment reserves | Retained earnings | Total |
| As at 1 April 2022* | 2.49 | 18.90 | - | (33.44) | (12.05) |
| Net profit for the year | - | - | - | 10.86 | 10.86 |
| Net other comprehensive income | - | - | - | 0.79 | 0.79 |
| Total | 2.49 | 18.90 | - | (21.79) | (0.40) |
| Share based payment expense (net) | - | - | 0.67 | - | 0.67 |
| Less: Cross charge paid to Holding Company | - | - | (0.67) | - | (0.67) |
| As at 31 March 2023 | 2.49 | 18.90 | - | (21.79) | (0.40) |
| Net profit for the year | - | - | - | 6.22 | 6.22 |
| Net other comprehensive income | - | - | - | (0.41) | (0.41) |
| Total | 2.49 | 18.90 | - | (15.98) | 5.41 |
| Share based payment expense (net) | - | - | (0.87) | - | (0.87) |
| Less: Cross charge paid by Holding Company | - | - | 0.87 | - | 0.87 |
| As at 31 March 2024 | 2.49 | 18.90 | - | (15.98) | 5.41 |

* Capital reserve includes Amalgamation adjustment of Rs. (3.43) crores (Refer note 39).

Summary of material accounting policies. Refer note 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

Place: Bangalore
Date: 22 May 2024



For and on behalf of the Board of Directors
TeamLease Digital Private Limited

Ramani Dathi
Director
DIN: 08296675

Alaka Chanda
Director
DIN: 08856604

Place: Bangalore
Date: 22 May 2024

TeamLease Digital Private Limited

Notes to the financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

1 Corporate information

TeamLease Digital Private Limited (the "Company") was incorporated on 04 July 2016. The Company renders specialised staffing services mainly to information technology and telecom sector. The Company is a 100% subsidiary of TeamLease Services Limited.

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 22 May 2024.

2 Basis of preparation

The standalone 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 standalone financial statements. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instrument) and share-based payments, which are measured at fair value. 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 standalone financial statements are presented in Indian Rupees and all values are rounded to nearest crores except when otherwise stated.

3 Summary of material 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 be 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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

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

3.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, i.e., the "functional currency". The financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

ii) Transactions and balances

Foreign currency transactions are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

- 1) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
- 2) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are translated using the exchange rates at the date of the initial transactions. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when fair value was determined.
- 3) Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.



TeamLease Digital Private Limited

Notes to the financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

3.3 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 services

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

Recruitment and other services

Revenue from recruitment services is recognized on accrual basis on performance of the services agreed as per contracts with customers.

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 in finance income in the statement of profit or loss.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when Shareholders/ Board of Directors approve the dividend.

3.4 Taxes

Income tax

Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable profits will be available to utilise the same, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and do not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



TeamLease Digital Private Limited

Notes to the financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

3.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset. The right-of-use assets are also subject to impairment. Refer to accounting policies in section 3.8 impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies recognition exemption to leases for which the underlying asset is of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.6 Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. All repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part thereof initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



TeamLease Digital Private Limited

Notes to the financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

Depreciation methods, estimated useful lives

Depreciation is calculated using the straight-line method over the estimated useful lives of the plant and equipment as given under Part C of Schedule II of the Act as follows:

| Asset | Useful life in Years |
|------------------------|----------------------|
| Computers | 3 |
| Furniture and fixtures | 3 to 10 |
| Office equipment | 3 to 8 |
| Vehicles | 8 |
| Plant & machinery | 5 |

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is lower.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortization methods, estimated useful lives

Amortization is calculated using the straight-line method over the estimated useful lives of the Intangibles as follows:

| Intangible assets | Useful life in Years | Internally generated or acquired |
|-------------------------|----------------------|----------------------------------|
| Computer software | 3-5 years | Acquired |
| Other Intangible Assets | 3-5 years | Acquired |
| Goodwill on merger | 10 years | Acquired |

The National Company Law Tribunal ("NCLT") of Mumbai and Chennai bench, vide their order dated 16 November 2017 and 30 November 2017 respectively, approved the Scheme of Amalgamation ("Scheme") of ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited ("Nichepro") with the Company pursuant to section 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act, with appointed date being 1 January 2017. The accounting of merger including recognition and amortization of goodwill is done under the "Purchase" method as prescribed in the Accounting Standard 14 – "Accounting for Amalgamation". The Company has been amortizing goodwill on merger over a period of 10 years from the appointed date in accordance with the Scheme.

Goodwill generated out of acquisition of business is not amortized but tested for Impairment.



TeamLease Digital Private Limited

Notes to the financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

3.8 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that any property, plant & equipment, right of use assets and intangible assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.9 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 profit and loss) 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 profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method (EIR) 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 profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss 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 profit or loss are immediately recognised in statement of profit and loss.



TeamLease Digital Private Limited

Notes to the financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

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 recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition. Provision for ECL is recognised for financial assets measured at amortised cost and fair value through profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss.

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 through 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 profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

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 profit or loss.

(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.



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Notes to the financial statements for the year ended 31 March 2024

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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.

3.10 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 profit and loss.

3.11 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.

3.12 Retirement and other employee benefits

Defined benefit plan

Gratuity obligations

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, done on projected 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 profit and loss in subsequent periods.

Past service costs are recognised in profit or loss 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 profit and loss:

- 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 are treated as short term employee benefits and those expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. Actuarial gains/ losses are recognised in the statement of Profit and Loss in the year in which they arise.



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Defined contribution plan

Contribution to Government Provident Fund

In respect of certain employees, 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.

Share-based payments

Employees of the Company receive remuneration in the form of stock appreciation rights plan of the Holding Company (equity settled instruments) for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award. Cross charge from Holding Company towards stock appreciation rights for the employees of the Company are adjusted against the Share Based Payment reserves as per the terms of the agreement entered into by the Company with the Holding Company in this regard. The equity instruments generally vest in a graded manner over the vesting period i.e. the period over which all the specified vesting conditions are to be satisfied. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity. The stock option compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

3.13 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 profit and loss 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 embodying economic benefits will be required to settle the obligation.

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

3.14 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in equity.

3.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit/loss 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 profit attributable to equity shareholders of the Company 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.

3.16 Operating segment

The Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined by IND-AS 108, Operating Segment. CODM evaluates the performance of the Company and allocated resources based on the analysis of various performance indicators of the Company. The Company's business activities falls within a single business segment and operates primarily in India and there is no other significant geographical segment and hence segment reporting is not applicable.



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3.17 Business combination

Business combinations through common control transactions are accounted on a pooling of interest method. No adjustments are made to reflect the fair values, or recognise any new assets or liabilities, except to harmonise accounting policies. The identity of the reserves are preserved and the reserves of the transferor becomes the reserves of the transferee. The difference between consideration paid and the net assets acquired, if any, is recorded under capital reserve/retained earnings, as applicable.

Transaction costs incurred in connection with a business acquisition are expensed as incurred.

3.18 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/ updated in the assumptions when they eventually 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.

Taxes

Deferred tax assets are recognised on deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-current assets

Determining whether long-term loans are impaired requires an estimation of the value in use of the subsidiary/fellow subsidiary or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow ('DCF') model. Further, the cash flow projections are based on estimates and assumptions relating to operational performance, growth rate, operating margins of the CGU, etc.

Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, 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.

3.19 Recent Indian Accounting Standards (Ind AS)

There are no standards that are notified and not yet effective as on the date.



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Note 4: Property, plant and equipment

| | Office equipment | Computers | Furniture & fixtures | Vehicles | Plant & Machinery | Total |
|---------------------------------|------------------|-------------|----------------------|-------------|-------------------|-------------|
| Gross Block | | | | | | |
| As at 1 April 2022 | 1.19 | 3.54 | 0.73 | 0.14 | 4.26 | 9.86 |
| Add: Additions | 0.02 | 0.86 | - | - | 0.04 | 0.92 |
| Less: Disposals | (0.04) | (1.69) | - | - | (2.98) | (4.71) |
| As at 31 March 2023 | 1.17 | 2.71 | 0.73 | 0.14 | 1.32 | 6.07 |
| Add: Additions | - | - | - | - | - | - |
| Less: Disposals | (0.33) | (0.45) | (0.21) | (0.14) | (1.32) | (2.45) |
| As at 31 March 2024 | 0.84 | 2.26 | 0.52 | - | - | 3.62 |
| Accumulated depreciation | | | | | | |
| As at 1 April 2022 | 0.81 | 2.48 | 0.45 | 0.10 | 3.90 | 7.74 |
| Charge during the year | 0.12 | 0.68 | 0.20 | 0.02 | 0.40 | 1.42 |
| Disposals | (0.04) | (1.69) | - | - | (2.98) | (4.71) |
| As at 31 March 2023 | 0.89 | 1.47 | 0.65 | 0.12 | 1.32 | 4.45 |
| Charge during the year | 0.12 | 0.75 | 0.06 | 0.02 | - | 0.95 |
| Less: Disposals | (0.33) | (0.45) | (0.21) | (0.14) | (1.32) | (2.45) |
| As at 31 March 2024 | 0.68 | 1.77 | 0.50 | - | - | 2.95 |
| Net block | | | | | | |
| As at 31 March 2023 | 0.28 | 1.24 | 0.08 | 0.02 | - | 1.62 |
| As at 31 March 2024 | 0.16 | 0.49 | 0.02 | - | - | 0.67 |

Note 5: Right of use assets

| | Buildings |
|---------------------------------|-------------|
| Gross block | |
| As at 1 April 2022 | 3.68 |
| Additions | 5.60 |
| Disposals | (3.22) |
| As at 31 March 2023 | 6.06 |
| Add: Additions | - |
| Less: Disposals | - |
| As at 31 March 2024 | 6.06 |
| Accumulated depreciation | |
| As at 1 April 2022 | 2.72 |
| Charge during the year | 0.95 |
| Disposals | (2.48) |
| As at 31 March 2023 | 1.19 |
| Charge during the year | 1.72 |
| Less: Disposals | - |
| As at 31 March 2024 | 2.91 |
| Net block | |
| As at 31 March 2023 | 4.87 |
| As at 31 March 2024 | 3.15 |



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Note 6: Goodwill and Other Intangible assets

| | Customer relationships | Brand | Non compete rights | Software | Website | Total | Goodwill |
|----------------------------------|------------------------|-------|--------------------|----------|---------|--------|----------|
| Gross Block | | | | | | | |
| As at 1 April 2022 | 20.00 | 0.50 | 7.43 | 1.09 | 0.42 | 29.44 | 75.71 |
| Additions (Software: Rs. 9,800) | - | - | - | 0.00 | - | 0.00 | - |
| Disposals | - | - | - | (0.53) | - | (0.53) | - |
| As at 31 March 2023 | 20.00 | 0.50 | 7.43 | 0.56 | 0.42 | 28.91 | 75.71 |
| Add: Additions | - | - | - | - | - | - | - |
| Less: Disposals | - | - | - | - | - | - | - |
| As at 31 March 2024 | 20.00 | 0.50 | 7.43 | 0.56 | 0.42 | 28.91 | 75.71 |
| Accumulated amortisation | | | | | | | |
| As at 1 April 2022 | 16.13 | 0.50 | 5.47 | 1.02 | 0.02 | 23.14 | 39.24 |
| Charge during the year | 1.93 | - | 0.98 | 0.01 | 0.08 | 3.00 | 7.47 |
| Disposals | - | - | - | (0.53) | - | (0.53) | - |
| As at 31 March 2023 | 18.06 | 0.50 | 6.45 | 0.50 | 0.10 | 25.61 | 46.71 |
| Charge during the year | 1.93 | - | 0.98 | 0.05 | 0.08 | 3.04 | 7.47 |
| Less: Disposals | - | - | - | - | - | - | - |
| As at 31 March 2024 | 19.99 | 0.50 | 7.43 | 0.55 | 0.18 | 28.65 | 54.18 |
| Net block | | | | | | | |
| As at 31 March 2023 | 1.94 | - | 0.98 | 0.06 | 0.32 | 3.30 | 29.00 |
| As at 31 March 2024 | 0.01 | - | - | 0.01 | 0.24 | 0.26 | 21.53 |

Notes:

1. During the year ended 31 March 2017, goodwill of Rs. 74.74 crores was recognised by the Company on amalgamation of ASAP Info Systems Private Limited ("ASAP") and Nichepro Technologies Private Limited ("Nichepro") with the Company as per the approved scheme of amalgamation by NCLT. The Company has been amortizing goodwill on merger over a period of 10 years from the appointed date in accordance with the Scheme. For details refer note 3.7.

2. During the year ended 31 March 2020, goodwill of Rs. 0.97 crores was recognised by the Company on acquisition of IT Staffing vertical of E Centric Solutions Private Limited ("eCentric"), a company incorporated under Companies Act, 1956. The goodwill is tested for impairment annually.



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Note 7: Loans

Non-current

(Unsecured, considered good)

Loans to related parties (Refer Note 36)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 1.99 | 0.38 |
| | 1.99 | 0.38 |

The loan to fellow subsidiary is for a period of 5 years from the date of disbursement, and renewable further as agreed. The loan has been utilised for meeting their working capital requirements. The loan carries interest ranging between 8.70% to 9.90% p.a. (31 March 2023: 7.30% to 8.37% p.a.).

Note 8: Other financial assets

Non-current

(Unsecured, considered good)

Reimbursement right for gratuity

Security deposits/other deposits

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 1.06 | 1.33 |
| | 0.50 | 0.78 |
| | 1.56 | 2.11 |

Current

(Unsecured, considered good)

Reimbursement right for gratuity

Security deposits/other deposits

Interest accrued on fixed deposits

Other receivables

| | | |
|--|-------------|-------------|
| | 0.96 | 0.02 |
| | 0.60 | 0.39 |
| | 0.41 | 0.46 |
| | - | 0.01 |
| | 1.97 | 0.88 |

Note 9: Deferred tax liabilities (net)

Deferred tax (liabilities)/assets

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | (1.94) | (3.66) |
| | (1.94) | (3.66) |

| As at | Provision for expected credit loss | Depreciation on property, plant and equipment | Provision for leave encashment and gratuity | Unabsorbed business losses / unabsorbed depreciation | Others | Total |
|----------------------------|------------------------------------|---|---|--|-------------|---------------|
| 1 April 2022 | 0.45 | (7.45) | 0.96 | 3.09 | 0.40 | (2.55) |
| (Charge)/credit: | | | | | | |
| Profit and loss | (0.19) | 2.13 | 0.60 | (3.09) | (0.29) | (0.84) |
| Other comprehensive income | - | - | (0.27) | - | - | (0.27) |
| 31 March 2023 | 0.26 | (5.32) | 1.29 | - | 0.11 | (3.66) |
| Credit/(charge): | | | | | | |
| Profit and loss | 0.07 | 1.89 | (0.33) | - | (0.05) | 1.58 |
| Other comprehensive income | - | - | 0.14 | - | - | 0.14 |
| 31 March 2024 | 0.33 | (3.43) | 1.10 | - | 0.06 | (1.94) |

Reconciliation of deferred tax (net)

Opening balance

Tax (expense)/credit during the year recognized in statement of profit and loss

Tax expense/(income) during the year recognised in OCI

Closing balance

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | (3.66) | (2.55) |
| | 1.58 | (0.84) |
| | 0.14 | (0.27) |
| | (1.94) | (3.66) |

Note 10: Income tax assets (net)

Advance income tax (net of provision for taxation)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 26.08 | 24.51 |
| | 26.08 | 24.51 |

Income tax expense in the statement of profit and loss consists of:

Current income tax charge

Tax adjustment for earlier years

Deferred tax (credit)/charge (net)

Income tax (credit)/charge reported in the statement of profit or loss

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 5.42 | 2.56 |
| | 0.09 | 0.18 |
| | (1.58) | 0.84 |
| | 3.93 | 3.58 |

Income tax recognised in other comprehensive income

Deferred tax (credit)/charge

Income tax expense (credited)/charged to OCI

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | (0.14) | 0.27 |
| | (0.14) | 0.27 |

Reconciliation of effective tax rate:

Profit before tax

Tax using the Company's domestic tax rate @ 25.168%

Tax effect of:

Non-deductible tax expense

Tax adjustments of earlier years

Brought forward losses

Others

Income tax expense

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 10.15 | 14.44 |
| | 2.55 | 3.63 |
| | 0.45 | 3.72 |
| | 0.09 | 0.18 |
| | - | (3.88) |
| | 0.84 | (0.07) |
| | 3.93 | 3.58 |



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Notes to financial statements for the year ended 31 March 2024

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

Note 11: Other non-current assets(Unsecured, considered good)
Balances with statutory/government authorities*

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 0.06 | 0.06 |
| 0.06 | 0.06 |

*Paid under protest towards professional tax

Note 12: Trade receivables(Unsecured, considered good)
Trade receivables from related parties (Refer Note 36)
Trade receivables - others

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 2.16 | 6.92 |
| 93.04 | 91.29 |
| 1.30 | 1.03 |
| 96.50 | 99.24 |
| (1.30) | (1.03) |
| 95.20 | 98.21 |

(Unsecured, credit impaired)
Trade receivables- others

Allowances for expected credit loss

Trade receivables ageing schedule**As at 31 March 2024**

| Current but 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 | 76.89 | 18.31 | - | - | - | 95.20 |
| Undisputed Trade receivables - credit impaired | - | - | 1.24 | 0.05 | 0.01 | 1.30 |
| Total | 76.89 | 18.31 | 1.24 | 0.05 | 0.01 | 96.50 |

As at 31 March 2023

| Current but 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 | 80.35 | 17.71 | 0.01 | - | 0.14 | 98.21 |
| Undisputed Trade receivables - credit impaired | - | - | 0.53 | 0.25 | 0.05 | 1.03 |
| Total | 80.35 | 17.71 | 0.54 | 0.25 | 0.19 | 99.24 |

- 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 36.
- b) Trade receivables are non-interest bearing and with credit period upto 120 days
- c) There are no disputed trade receivables as at 31 March 2024 and 31 March 2023

Note 13: Unbilled revenue**Current**(Unsecured, Considered good)
Unbilled revenue

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 49.35 | 51.83 |
| 49.35 | 51.83 |

*includes Rs 0.16 crores (31 March 2023 Rs 0.27 crores) from related parties



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

Note 14: Cash and cash equivalents and bank balances

Balances with banks:

- On current accounts
- Cash on hand (31 March 2024: Nil; 31 March 2023: Rs 6,000)
- Deposits with original maturity less than 3 months

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 42.04 | 13.37 |
| - | 0.00 |
| 26.00 | - |
| 68.04 | 13.37 |

Other bank balances

Deposits with remaining maturity of less than 12 months

| | |
|--------------|--------------|
| 25.37 | 49.18 |
| 25.37 | 49.18 |
| 93.41 | 62.55 |

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

Balances with banks

- On current accounts
- Cash on hand (31 March 2024: Nil; 31 March 2023: Rs 6,000)

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 68.04 | 13.37 |
| - | 0.00 |
| 68.04 | 13.37 |

Fixed deposits of Rs. 0.37 crores as at 31 March 2024 (31 March 2023: Rs. 0.68 crores) is under lien with HDFC Bank for the loans taken/ guarantee issued to third parties. The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account.

Note 15: Other current assets

(Unsecured, Considered good)

- Prepaid expenses
- Loans and advances to employees
- Advances to related parties (refer note 36)
- Advances to suppliers/others

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 3.40 | 3.86 |
| 0.05 | 0.15 |
| 0.18 | 0.10 |
| 1.33 | 1.26 |
| 4.96 | 5.37 |

(Credit impaired)

- Other advances
- Less: Provision

| | |
|-------------|-------------|
| 0.27 | 0.27 |
| (0.27) | (0.27) |
| - | - |
| 4.96 | 5.37 |



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Note 16: Equity share capital

| Equity share capital | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| (i) Authorised equity share capital | | |
| 28,773,680 (31 March 2023: 28,773,680) equity shares of Rs. 10 each | 28.77 | 28.77 |
| (ii) Issued, subscribed and fully paid-up shares | | |
| 5,939,076 (31 March 2023: 4,735,000) equity shares of Rs. 10 each | 5.94 | 4.74 |
| (iii) Share pending issuance | | |
| Nil (31 March 2023: 1,204,076) equity shares of Rs. 10 each. (Refer Note 39) | - | 1.20 |
| Total issued, subscribed and fully paid-up shares | 5.94 | 5.94 |

(iv) 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

| Name of the shareholders | 31 March 2024 | | 31 March 2023 | |
|--|---------------|-----------|---------------|-----------|
| | Numbers | % holding | Numbers | % holding |
| Equity shares of Rs.10 each fully paid | | | | |
| TeamLease Services Limited | 5,939,076 | 100% | 4,735,000 | 80% |
| Shares pending issuance (Refer Note 39) | | | | |
| TeamLease Services Limited | - | - | 1,204,076 | 20% |

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownership of shares.

(vi) Details of Equity shares held by promoters**As at 31st March 2024**

| | 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 | | | | | |
| Equity shares | 4,735,000 | 1,204,076 | 5,939,076 | 100% | 25.43% |
| Shares pending issuance | 1,204,076 | (1,204,076) | - | - | 100.00% |

As at 31 March 2023

| | 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 | | | | | |
| Equity shares | 4,735,000 | - | 4,735,000 | 80% | - |
| Shares pending issuance | 1,204,076 | - | 1,204,076 | 20% | - |

Note 17: Other equity

| | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Securities premium | 18.90 | 18.90 |
| Retained earnings | (15.98) | (21.79) |
| Capital reserve | 2.49 | 2.49 |
| | 5.41 | (0.40) |

Nature and purpose of other reserves**(i) Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of Companies Act, 2013.

(ii) Capital reserve

Reserves arose on business combination due to transfer of business between entities under common control



TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 18: Borrowings**Non-Current**

Unsecured

Series A to Series N

1,972 (31 March 2023: 1,972) Compulsorily Convertible Debentures (CCD's) of Rs.

0.10 Crores each from Parent Company

| Maturity | 31 March 2024 | 31 March 2023 |
|------------------|---------------|---------------|
| Refer Note below | 197.20 | 197.20 |
| | 197.20 | 197.20 |

Note:

The CCD's are convertible into equity shares on or before 10 years from the date of allotment, at the fair value as at conversion date. CCD's are carrying interest @ 9.40% p.a. (31 March 2023: 8.37% p.a.).

Note 19: Lease liabilities**Non-Current**

Lease liabilities

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 1.99 | 3.35 |
| | 1.99 | 3.35 |

Current

Lease liabilities

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 1.37 | 1.52 |
| | 1.37 | 1.52 |

The following is the movement in lease liabilities

Particulars

Balances as at beginning of the year

Add: Additions during the year

Less: Deletions during the year

Add: Finance cost incurred during the year

Less: Payments (including finance cost)

Balance as at year end

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 4.87 | 1.01 |
| | - | 5.46 |
| | - | (0.77) |
| | 0.31 | 0.21 |
| | (1.82) | (1.04) |
| | 3.36 | 4.87 |

The weighted average discount rate used for recognition of lease liabilities is 7.20% p.a. (31 March 2023: 7.20% p.a.)

Note 20: Employee benefit obligations**Non-current**

Employee benefits - Gratuity (Refer note 31)

Employee benefits - Compensated absences

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 3.32 | 3.11 |
| | 0.92 | 0.92 |
| | 4.24 | 4.03 |

Current

Employee benefits - Gratuity (Refer note 31)

Employee benefits - Compensated absences

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| | 1.65 | 0.52 |
| | 0.52 | 0.58 |
| | 2.17 | 1.10 |



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TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 21: Trade payables**Current**

Total outstanding dues of micro enterprises and small enterprises ("MSME") (Refer Note 38)

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

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises ("MSME") (Refer Note 38) | 5.63 | 0.33 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 21.08 | 12.96 |
| | 26.71 | 13.29 |

Refer note 36 for details of trade payables to related parties.

Trade payables ageing schedule

As at 31 March 2024

| | Outstanding for following periods from due date of payment | | | | | | Total |
|-------------|--|---------------------|------------------|-------------|-------------|-------------------|--------------|
| | Unbilled dues | Current but not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 4.72 | 0.04 | 0.81 | 0.06 | - | - | 5.63 |
| (ii) Others | 15.84 | 1.06 | 4.06 | 0.06 | 0.06 | - | 21.08 |
| | 20.56 | 1.10 | 4.87 | 0.12 | 0.06 | - | 26.71 |

As at 31 March 2023

| | Outstanding for following periods from due date of payment | | | | | | Total |
|-------------|--|---------------------|------------------|-------------|-------------|-------------------|--------------|
| | Unbilled dues | Current but not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.10 | 0.08 | 0.10 | 0.05 | - | - | 0.33 |
| (ii) Others | 10.14 | 1.73 | 1.00 | 0.04 | 0.03 | 0.02 | 12.96 |
| | 10.24 | 1.81 | 1.10 | 0.09 | 0.03 | 0.02 | 13.29 |

Notes:

a) Trade payables are non-interest bearing and are normally settled within 30 day terms.

b) There are no disputed trade payables.

Note 22: Other financial liabilities**Non - Current**

Payable to related party (Refer Note 36)

Long-term incentives payable

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Payable to related party (Refer Note 36) | 0.14 | 1.01 |
| Long-term incentives payable | - | 2.14 |
| | 0.14 | 3.15 |

Current

Employees benefits payable

Security deposits

Incentives payable

| | | |
|----------------------------|--------------|--------------|
| Employees benefits payable | 31.94 | 32.25 |
| Security deposits | 0.78 | 0.78 |
| Incentives payable | 2.07 | - |
| | 34.79 | 33.03 |

Note 23: Other current liabilities

GST payable

Other statutory dues payable

Advance from customers*

Other liabilities

| | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| GST payable | 10.48 | 10.72 |
| Other statutory dues payable | 6.58 | 6.97 |
| Advance from customers* | 1.23 | 0.68 |
| Other liabilities | - | 0.45 |
| | 18.29 | 18.82 |

*Includes Rs. Nil (31 March 2023: Rs. 0.10 crores) from related parties.



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Notes to financial statements for the year ended 31 March 2024

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

Note 24: Revenue from operations

Sale of services

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 589.95 | 568.58 |
| 589.95 | 568.58 |

Other disclosures**Disaggregated revenue information**

The disaggregation of Company's revenue from contracts with customers, which is in agreement with the amounts disclosed in the segment information and the contracted price are provided in note 35.

Contract balances

Contract assets - Trade receivables

Contract assets - Unbilled revenue

Contract liabilities - Advance from customers

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 95.20 | 98.21 |
| 49.35 | 51.83 |
| 1.23 | 0.68 |

Set out below is the amount of revenue recognised from:

Amounts included in contract liabilities at the beginning of the year

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 0.59 | 0.05 |

Note 25: Other income

Interest income on:

Loans to related parties (Refer Note 36)

Deposits with banks

Income tax refunds

Others

Liabilities no longer required written back

Foreign exchange gain (net)

Profit on sale of property, plant and equipment (net) (31 March 2024: Nil; 31 March 2023: Rs 44,100)

Other income

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 0.07 | 0.02 |
| 3.30 | 1.43 |
| 1.55 | 5.56 |
| 0.05 | 0.02 |
| 0.21 | 0.12 |
| - | 0.33 |
| - | 0.00 |
| 0.15 | 0.31 |
| 5.33 | 7.79 |

Note 26: Employee benefits expense

Salaries, wages and bonus

Gratuity expense (Refer note 31)

Compensated absences

Contribution to provident fund and other funds

Staff welfare expenses

Share based payment expenses (net) (Refer Note 36 and 40)

Total employee benefit expense

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 450.62 | 454.55 |
| 0.91 | 1.13 |
| 0.69 | 0.65 |
| 20.13 | 21.00 |
| 2.79 | 3.38 |
| (0.87) | 0.67 |
| 474.27 | 481.38 |

Note 27: Finance Cost

Interest on bank overdraft (31 March 2024: Rs. 758; 31 March 2023: Rs. 31,478)

Interest on CCD's (Refer Note 36)

Interest on lease liabilities

Interest on financial liabilities and others

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 0.00 | 0.00 |
| 18.59 | 16.46 |
| 0.31 | 0.21 |
| 0.36 | 0.25 |
| 19.26 | 16.92 |

Note 28: Depreciation and amortisation expense

Depreciation of property, plant & equipment

Depreciation on right of use assets

Amortization of other intangible assets

Amortization of goodwill

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 0.95 | 1.42 |
| 1.72 | 0.95 |
| 3.04 | 3.00 |
| 7.47 | 7.47 |
| 13.18 | 12.84 |



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Notes to financial statements for the year ended 31 March 2024

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

Note 29: Other expenses

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Rent | 4.57 | 4.53 |
| Rates & taxes | 0.65 | 0.41 |
| Electricity | 0.07 | 0.14 |
| Traveling and conveyance | 1.27 | 1.46 |
| Repairs and maintenance - others | 0.21 | 0.58 |
| Printing and stationery | 0.04 | 0.05 |
| Legal and professional charges | 67.27 | 38.16 |
| Auditors' remuneration (Refer note below) | 0.43 | 0.42 |
| Insurance | 0.08 | 0.24 |
| Sundry balances written off | 0.89 | 0.46 |
| Bad debts written off | 0.78 | 1.79 |
| Provision/(reversal) for expected credit loss | 0.27 | (0.75) |
| Corporate social responsibility expenditure (Refer Note 44) | 0.18 | - |
| Foreign exchange loss (Net) | 0.35 | - |
| Miscellaneous expenses | 1.36 | 3.30 |
| | 78.42 | 50.79 |

Note: Payment to auditors**As auditor**

| | 31 March 2024 | 31 March 2023 |
|---------------------------|---------------|---------------|
| Statutory audit fee | 0.39 | 0.39 |
| Tax audit fee | 0.03 | 0.03 |
| Reimbursement of expenses | 0.01 | - |
| | 0.43 | 0.42 |

Note 30: Earnings per share

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

| | 31 March 2024 | 31 March 2023 |
|--|------------------|------------------|
| Basic | | |
| Profit attributable to equity shareholders (Rs. in crores) | 6.22 | 10.86 |
| Nominal value of each equity share (Rs.) | 10.00 | 10.00 |
| Weighted average number of equity shares outstanding during the year | 5,939,076 | 5,939,076 |
| EPS - basic (Rs.) | 10 | 18 |
| Dilutive | | |
| Profit attributable to equity shareholders (Rs. in crores) | 6.22 | 10.86 |
| Add: Interest on CCD | 18.59 | 16.46 |
| Less: Tax effect on Interest on CCD | (4.68) | (4.14) |
| Profit attributable to equity shareholders adjusted for the effect of dilution (Rs. in crores) | 20.13 | 23.18 |
| Weighted average number of equity shares outstanding during the year | 5,939,076 | 5,939,076 |
| Effect of dilution of CCD | 2,580,159 | 2,347,301 |
| Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution | 8,519,235 | 8,286,377 |
| DPS - anti-dilutive (Rs.) | 24 | 28 |

During the year ended 31 March 2024 and 31 March 2023, the conversion of CCDs would have an antidilutive effect on earnings per share. The number of equity shares to be issued upon the conversion of CCDs is determined based on the fair valuation of the Company under DCF method.



TeamLease Digital Private Limited

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

Note 31: Employee benefit obligation**A. Gratuity (Associates)**

The Company has recognised gratuity liability and reimbursement right in respect of associate employees in accordance with Ind AS 19.

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 2024 | 31 March 2023 |
|--------------------------------------|---------------|---------------|
| Present value of unfunded obligation | 2.02 | 1.35 |
| Fair value of plan assets | - | - |
| Net liability | 2.02 | 1.35 |
| Current | 0.96 | 0.02 |
| Non-current | 1.06 | 1.33 |

Net benefit cost (Refer note below)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Current service cost | 0.34 | 1.35 |
| Net actuarial loss/(gain) recognised in the year | 1.08 | - |
| Interest cost on net defined benefit obligation | 0.07 | - |
| Net benefit expense (Refer note below) | 1.49 | 1.35 |

The above employee benefits expense towards gratuity and related reimbursement right for associate employees is netted off in the Statement of Profit and Loss.

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

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Defined benefit obligation at beginning of the year | 1.35 | - |
| Current service cost | 0.34 | 1.35 |
| Interest cost on defined benefit obligation | 0.07 | - |
| Benefits paid | (0.82) | - |
| Re-measurements | | |
| Actuarial (gain) / loss arising from changes in demographic assumptions | (0.17) | - |
| Actuarial (gain) / loss arising from changes in financial assumptions | 0.05 | - |
| Actuarial (gain) / loss arising from changes in experience adjustments | 1.20 | - |
| Defined benefit obligation at end of the year | 2.02 | 1.35 |

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

| | 31 March 2024 | 31 March 2023 |
|------------------------|---|---|
| Discount rate | 6.92% | 7.11% |
| Salary escalation rate | 6.00% | 5.00% |
| Attrition rate | 53.00% | 36.00% |
| Retirement age | 60 | 60.00 |
| Mortality tables | Indian Assured Lives Mortality (2012-14) Ult Table | Indian Assured Lives Mortality (2012-14) Ult Table |

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



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Notes to financial statements for the year ended 31 March 2024

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

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation are as shown below:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|------------------------|---------------|-------------|---------------|-------------|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| Discount rate | 1.99 | 2.05 | 1.30 | 1.39 |
| Salary escalation rate | 2.04 | 2.00 | 1.38 | 1.31 |
| Attrition rate | 2.02 | 2.03 | 1.32 | 1.37 |

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

| | 31 March 2024 | 31 March 2023 |
|--------------|---------------|---------------|
| Year 1 | 1.03 | 0.45 |
| Year 2 | 0.56 | 0.33 |
| Year 3 | 0.30 | 0.25 |
| Year 4 | 0.16 | 0.20 |
| Year 5 | 0.10 | 0.14 |
| Next 5 years | 0.10 | 0.24 |

The weighted average duration of defined benefit obligation at the end of the reporting period is 1.88 years (31 March 2023: 4 years).



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B. Gratuity (Core employees)

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.

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 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| Present value of funded obligation | 2.99 | 2.32 |
| Fair value of plan assets | (0.04) | (0.04) |
| Net liability | 2.95 | 2.28 |
| Current | 0.69 | 0.50 |
| Non-current | 2.26 | 1.78 |

Net benefit cost recognised in statement of profit and loss

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Current service cost | 0.78 | 1.00 |
| Interest cost on defined benefit obligation | 0.13 | 0.13 |
| Interest income on plan assets (31 March 2024: Rs. 26,755; 31 March 2023: Rs. 19,000) | (0.00) | (0.00) |
| Net benefit expense | 0.91 | 1.13 |

Remeasurement loss/(gains) in other comprehensive income

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Due to change in demographic assumptions | 0.19 | 0.22 |
| Due to change in financial assumptions | 0.09 | 0.05 |
| Due to change in experience adjustments | 0.27 | (1.33) |
| Return on plan assets (excluding interest income) | - | 0.00 |
| Actuarial loss/(gain) recognised in OCI | 0.55 | (1.06) |

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

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Defined benefit obligation at beginning of the year | 2.32 | 2.56 |
| Current service cost | 0.78 | 1.00 |
| Interest cost on defined benefit obligation | 0.13 | 0.13 |
| Benefits paid | (0.79) | (0.30) |
| Re-measurements | | |
| Actuarial (gain) / loss arising from changes in demographic assumptions | 0.19 | 0.22 |
| Actuarial (gain) / loss arising from changes in financial assumptions | 0.09 | 0.05 |
| Actuarial (gain) / loss arising from changes in experience adjustments | 0.27 | (1.34) |
| Defined benefit obligation at end of the year | 2.99 | 2.32 |

Change in fair value of plan assets representing reconciliation of opening and closing balances thereof as follows:

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Fair value of plan assets at beginning of the year | 0.04 | 0.04 |
| Expected return on plan asset (31 March 2024: Rs. 26,755; 31 March 2023: Rs. Nil) | 0.00 | - |
| Contribution by employer | 0.32 | 0.07 |
| Benefits paid | (0.32) | (0.07) |
| Remeasurement - actuarial gain/ (loss) [31 March 2024: Rs. (26,755); 31 March 2023: Rs. (20,000)] | (0.00) | (0.00) |
| Fair value of plan assets at end of the year | 0.04 | 0.04 |

The major categories of plan asset as a percentage of the fair value of total plan asset as follows:

| | 31 March 2024 | 31 March 2023 |
|-------------------------|---------------|---------------|
| Investment with insurer | 100% | 100% |



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

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

| | 31 March 2024 | 31 March 2023 |
|------------------------|--|--|
| Discount rate | 6.94% | 7.07-7.11% |
| Salary escalation rate | 6%-8% | 6%-8% |
| Attrition rate | 40%- 47% | 37%- 54% |
| 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 expected return on plan asset is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management, historical results of return on plan assets and the Company policy for plan asset management.

Note 2: The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in employment market.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions on defined benefit obligation is shown as:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|------------------------|---------------|-------------|---------------|-------------|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| Discount rate | 2.90 | 3.06 | 2.26 | 2.39 |
| Salary escalation rate | 3.05 | 2.91 | 2.37 | 2.27 |
| Attrition rate | 2.92 | 3.04 | 2.28 | 2.37 |

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

| | 31 March 2024 | 31 March 2023 |
|--------------|---------------|---------------|
| Year 1 | 0.73 | 0.51 |
| Year 2 | 0.65 | 0.43 |
| Year 3 | 0.48 | 0.40 |
| Year 4 | 0.51 | 0.38 |
| Year 5 | 0.47 | 0.22 |
| Next 5 years | 0.77 | 0.29 |

The weighted average duration of defined benefit obligation at the end of the reporting period is 2.38 years (31 March 2023: 2.67 years).



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Notes to financial statements for the year ended 31 March 2024

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Note 32: Fair value measurements**Financial instruments by category and hierarchy**

Management has assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, loans, trade receivables, unbilled revenue, trade payables, borrowings, lease liabilities, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and these are measured at amortised cost.

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 willing parties, other than in a forced or liquidation sale.

Note 33: 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 risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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. The Board of Directors is assisted in its oversight role by internal auditors. Internal Audit function includes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(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 (including unbilled revenue), 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 significant foreign currency exposure and hence is not exposed to any significant 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 loans receivables, investments and other financial instruments.

Trade receivables

With respect to trade receivables/unbilled revenue, the Company has framed the policies to review the receivables on periodic basis and to take necessary mitigations, wherever required. 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 recognizes provision for ECL based on lifetime ECLs at each reporting date, right from its initial recognition.

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 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Opening balance | 1.03 | 1.78 |
| Amount provided /(reversed) during the year | 0.27 | (0.75) |
| Closing provision | 1.30 | 1.03 |



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Notes to financial statements for the year ended 31 March 2024

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Financial instruments

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

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The summary of the maturity profile of the Company's financial liabilities is as below:

| | <u>Maturity period</u> | <u>31 March 2024</u> | <u>31 March 2023</u> |
|--|------------------------|----------------------|----------------------|
| Financial liabilities - Current | | | |
| Trade payables | Within 1 year | 26.71 | 13.29 |
| Lease liabilities | Within 1 year | 1.37 | 1.52 |
| Other financial liabilities | Within 1 year | 34.79 | 33.03 |
| | | <u>62.87</u> | <u>47.84</u> |
| Financial liabilities - Non current | | | |
| Borrowings | 1-5 years | 122.60 | 116.00 |
| Borrowings | Above 5 years | 74.60 | 81.20 |
| Lease liabilities | 1 - 5 years | 1.99 | 3.35 |
| Other financial liabilities | 1 - 5 years | 0.14 | 3.15 |
| | | <u>199.33</u> | <u>203.70</u> |

Note 34: 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 is focused on keeping strong capital base to ensure independence and sustained growth in business.

The Company is predominantly financed through equity and CCD's from holding company. To maintain and adjust capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The existing surplus funds along with the cash generated by the Company, are sufficient to meet its current /non-current obligation and working capital requirement.

Capital gearing ratio

| | <u>31 March 2024</u> | <u>31 March 2023</u> |
|-------------------------------------|----------------------|----------------------|
| Borrowings | 197.20 | 197.20 |
| Less: Cash and cash equivalents | (68.04) | (13.37) |
| Net debt (A) | <u>129.16</u> | <u>183.83</u> |
| Equity share capital | 5.94 | 5.94 |
| Other equity | 5.41 | (0.40) |
| Equity (B) | <u>11.35</u> | <u>5.54</u> |
| Equity plus net debt (C=A+B) | 140.50 | 189.37 |
| Gearing ratio (D= A/C) | 92% | 97% |

Note 35: 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 specialized staffing services, 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.



TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

CIN:U74999MH2016PTC283227

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

Note 36: Related party disclosure**(i) List of related parties and relationship:**

| Description of relationship | Names of the related parties |
|--|--|
| a) Holding company | TeamLease Services Limited ('TSL') |
| b) Fellow Subsidiaries | TeamLease HRTech Private Limited ('HRTech') TeamLease Foundation ('TLF') (Formerly known as TeamLease Education Foundation) TeamLease Edtech Limited ('TLEL') TeamLease Regtech Private Limited ('TRPL') |
| c) Enterprises under significant influence (where transactions have taken place) | TeamLease Skills University ('TSLU') |
| d) Key management personnel and their relatives | Ms. Alaka Chanda - Non Executive Director Ms. Ramani Dathi - Non Executive Director Mr. Narayan Ramachandran - Independent Director (appointed w.e.f. 25 July 2022) Mrs. Ritupama Chakraborty - Non Executive Director (resigned w.e.f. 25 July 2022) |

(ii) Transactions with related parties

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Interest income from | | |
| TeamLease HRTech Private Limited | 0.07 | 0.02 |
| | 0.07 | 0.02 |
| Revenue from operations | | |
| TeamLease Services Limited | 6.23 | 12.04 |
| TeamLease Edtech Limited | 0.23 | 1.75 |
| | 6.46 | 13.79 |
| Consultancy/services charges paid | | |
| TeamLease Services Limited | 4.92 | 3.93 |
| TeamLease HRTech Private Limited | 1.36 | 2.40 |
| TeamLease Edtech Limited | 0.01 | 0.06 |
| TeamLease Foundation | 0.04 | 0.70 |
| TeamLease Skills University | 1.06 | 0.00 |
| | 7.39 | 7.09 |
| Rent paid | | |
| TeamLease Services Limited | 1.89 | 1.14 |
| TeamLease HRTech Private Limited | - | 0.03 |
| | 1.89 | 1.17 |
| Share based payment expense | | |
| TeamLease Services Limited | (0.87) | 0.67 |
| | (0.87) | 0.67 |
| Interest paid on CCD | | |
| TeamLease Services Limited | 18.59 | 16.46 |
| | 18.59 | 16.46 |
| Expenses incurred by the others on behalf of Company (reimbursed) | | |
| TeamLease Service Limited | - | 0.07 |
| | - | 0.07 |
| Expenses incurred by the Company on behalf of others (cross charged) | | |
| Salary cross charge | | |
| TeamLease HRTech Private Limited | 0.46 | 0.16 |
| | 0.46 | 0.16 |
| Sale of property, plant and equipment | | |
| TeamLease Service Limited | - | 0.01 |
| | - | 0.01 |
| Rent paid | | |
| TeamLease Services Limited | 0.33 | 0.48 |
| TeamLease Edtech Limited | 0.01 | 0.01 |
| | 0.34 | 0.49 |



TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

| | 31 March 2024 | 31 March 2023 |
|---|----------------------|----------------------|
| Legal and professional charges | | |
| TeamLease Services Limited | 0.05 | - |
| TeamLease HRTech Private Limited | 0.04 | - |
| | 0.09 | - |
| Reimbursement of expenses | | |
| TeamLease Services Limited | 0.09 | - |
| TeamLease Regtech Private Limited (31 March 2024: Rs. 42,416; 31 March 2023: Rs. Nil) | 0.00 | - |
| | 0.09 | - |
| Loans and advances given to | | |
| TeamLease HRTech Private Limited | 2.70 | 3.09 |
| | 2.70 | 3.09 |
| Loans and advances repaid by | | |
| TeamLease HRTech Private Limited | 1.09 | 2.71 |
| | 1.09 | 2.71 |
| Issue of CCD | | |
| TeamLease Services Limited | - | 13.20 |
| | - | 13.20 |
| (iii) Outstanding balances as at year ended | | |
| | 31 March 2024 | 31 March 2023 |
| Loans | | |
| TeamLease HRTech Private Limited | 1.99 | 0.38 |
| | 1.99 | 0.38 |
| Trade / other receivables | | |
| TeamLease Services Limited | 2.03 | 6.92 |
| TeamLease HRTech Private Limited | 0.13 | - |
| | 2.16 | 6.92 |
| Unbilled Revenue | | |
| TeamLease Services Limited | 0.16 | 0.27 |
| | 0.16 | 0.27 |
| Other current assets | | |
| TeamLease Services Limited | 0.04 | 0.01 |
| TeamLease Edtech Limited | - | 0.01 |
| TeamLease HRTech Private Limited | 0.14 | 0.08 |
| | 0.18 | 0.10 |
| Trade payables | | |
| TeamLease Services Limited | 1.14 | 2.21 |
| TeamLease HRTech Private Limited | 0.07 | 0.22 |
| TeamLease Edtech Limited | 0.01 | 0.02 |
| TeamLease Skills University | 0.10 | 0.06 |
| | 1.32 | 2.51 |
| Other financial liability | | |
| TeamLease Services Limited | 0.14 | 1.01 |
| | 0.14 | 1.01 |
| Other current liability | | |
| TeamLease Edtech Limited | - | 0.10 |
| | - | 0.10 |
| Borrowings - CCDs | | |
| TeamLease Services Limited | 197.20 | 197.20 |
| | 197.20 | 197.20 |
| Guarantee given on behalf of the Company to the Bank | | |
| TeamLease Services Limited | 12.00 | 12.00 |
| | 12.00 | 12.00 |



TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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(All amounts in Rs, crores, unless otherwise stated)

Note 37: Contingent liabilities

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| (a) Income tax matters in dispute | 0.43 | 0.50 |
| (b) Professional tax matter in dispute | 0.24 | 0.24 |

Note 38: Details of dues to micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: | | |
| -Principal amount due to micro and small enterprises | 5.59 | 0.32 |
| -Interest due on above | 0.04 | 0.01 |
| Total | 5.63 | 0.33 |

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

- -

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.

0.04 0.01

The amount of interest accrued and remaining unpaid at the end of each accounting year

0.04 0.01

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.

0.04 0.01



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TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 39: Scheme of Amalgamation

The Board of directors of TeamLease Digital Private Limited (TDPL), I.M.S.I. Staffing Private Limited (I.M.S.I) and Keystone Business Solutions Private Limited (Keystone), in their respective meetings held on August 16, 2022 approved the Scheme of Amalgamation of I.M.S.I and Keystone with TDPL ("Scheme") pursuant to Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, to the extent applicable, with appointed date as April 01, 2022. The Scheme was filed with the relevant jurisdictional office of National Company Law Tribunal (NCLT) on September 06, 2022.

During the year, TDPL, I.M.S.I. and Keystone has received NCLT approval for the Scheme with the appointed date as April 01, 2022. Being a common control transaction under Ind-As 103 "Business Combination", TDPL has accounted the said amalgamation using "pooling of interest method" in accordance with the approved scheme. Accordingly, previous year's figures have been restated as if business combination had occurred from the beginning of preceding period, as per Ind-AS 103.

Pursuant to the Scheme, TDPL has issued and allotted 1,204,076 equity shares of face value Rs. 10 each fully paid-up for 5,318,000 equity shares of face value Rs. 10 each fully paid-up held by TeamLease Services Limited in I.M.S.I Staffing Private Limited (12 fully paid-up equity shares for every 53 equity shares of face value Rs. 10 each fully paid-up).

Details of net assets of I.M.S.I and Keystone added to the opening balances of the Company (i.e., 1 April 2022) and consequential adjustment to Capital Reserve:

| Particulars | Amount |
|--|-------------|
| Net Assets of I.M.S.I as on 1 April 2022 | 5.32 |
| Less: Investment in IMSI by TeamLease Services Limited | 1.20 |
| Capital reserve (A) | 4.12 |

| Particulars | Amount |
|---|---------------|
| Net Assets of Keystone as on 1 April 2022 | 0.65 |
| Less: Investment in Keystone by the Company | 8.20 |
| Capital reserve (B) | (7.55) |

| | |
|---|---------------|
| Total Capital reserve adjusted on amalgamation (C) = (A+B) | (3.43) |
|---|---------------|

| | |
|--|-------------|
| Capital reserve as at 1 April 2022 before amalgamation adjustment (D) | 5.92 |
| Capital reserve as at 1 April 2022 post amalgamation adjustment (E) = (C+D) | 2.49 |



TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 40 : Note on Employee Stock Appreciation Rights Plan 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, 17 May 2022, 8 November 2023 and 22 May 2024 respectively. The ESAR 2019 plan provides stock options appreciation rights to eligible employees of the Company. The exercise period varies between 2.64 to 5 years from the date of vesting. The Company will reimburse and pay to holding Company cross charge of ESAR granted to the employees.

A. Details of ESAR 2019 plan

| Particulars | Tranche-I | Tranche-II | Tranche-IV |
|----------------------|---------------------------------|-------------|-----------------|
| Date of grant | 9 June 2021 3 September 2021 | 1 July 2022 | 8 November 2023 |
| Number granted | 20,100 | 13,000 | 24,000 |
| Exercise price (Rs.) | 3,620 | 3,300 | 2,503 |
| Vesting period | 5 years | 5 years | 2.64 years |

B. Movement in the stock options appreciation rights granted to employees - Tranche I

| Particulars | Number of Stock Appreciation Rights | | Weighted average Exercise price (Rs.) | |
|--------------------------------------|-------------------------------------|---------------|---------------------------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Outstanding at beginning of the year | 20,100 | 20,100 | 3,620 | 3,620 |
| Granted | - | - | - | - |
| Forfeited | 17,500 | - | 3,620 | - |
| Expired | - | - | - | - |
| Exercised | - | - | - | - |
| Outstanding at end of the year | 2,600 | 20,100 | 3,620 | 3,620 |
| Exercisable at end of the year | - | - | - | - |

C. Movement in the stock options appreciation rights granted to employees - Tranche II

| Particulars | Number of Stock Appreciation Rights | | Weighted average Exercise price (Rs.) | |
|--------------------------------------|-------------------------------------|---------------|---------------------------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Outstanding at beginning of the year | 13,000 | - | 3,300 | - |
| Granted | - | 13,000 | - | 3,300 |
| Forfeited | 7,150 | - | 3,300 | - |
| Expired | - | - | - | - |
| Exercised | - | - | - | - |
| Outstanding at end of the year | 5,850 | 13,000 | 3,300 | 3,300 |
| Exercisable at end of the year | - | - | - | - |

D. Movement in the stock options appreciation rights granted to employees - Tranche IV

| Particulars | Number of Stock Appreciation Rights | Weighted average Exercise price (Rs.) |
|--------------------------------------|-------------------------------------|---------------------------------------|
| | 31 March 2024 | 31 March 2024 |
| Outstanding at beginning of the year | - | - |
| Granted | 24,000 | 2,503 |
| Forfeited | 14,000 | 2,503 |
| Expired | - | - |
| Exercised | - | - |
| Outstanding at end of the year | 10,000 | 2,503 |
| Exercisable at end of the year | - | - |

E. 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 2024 | 31 March 2023 |
|--|---------------|---------------|
| | Tranche IV | Tranche II |
| Weighted average share price on date of grant | 2,503 | 3,300 |
| Exercise price (Rs.) | 2,503 | 3,300 |
| Expected volatility | 38.38% | 38.43% |
| Life of rights granted in years | 3 years | 5 years |
| Risk free interest rate | 7.31% | 7.31% |
| Expected dividend yield (%) | - | - |
| Fair value of option (Rs.) (A) | 805 | 1,385 |
| Weighted average remaining contractual life | 2.25 years | 4.25 years |
| Weighted average exercise price of stock options appreciation rights outstanding | 2,503 | 3,300 |

ESAR appreciation rights expense (net) is Rs. (0.87) crores (31 March 2023: 0.67 crores) for the year.



TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 41 : Financial Ratios (as applicable)

| Ratio | Numerator | Denominator | 31 March 2024 | 31 March 2023 | % change | Reason for variance |
|---------------------------------|---|--|---------------|---------------|----------|---|
| Current Ratio | Current assets | Current liabilities | 2.94 | 3.23 | -9.00% | |
| Debt- Equity Ratio | Total debt | Shareholder's equity | 17.38 | 35.60 | -51.17% | Increase in shareholder's equity due to profits during the year |
| Debt Service Coverage Ratio | Earnings for debt service = Net profit after taxes + non-cash operating expenses + finance cost + other adjustments | Debt service = Interest on debt + principal repayments | 2.17 | 2.59 | -16.31% | |
| Return on Equity Ratio | Profit for the year | Average shareholder's equity | 73.71% | 38.17% | 93.11% | Increase in shareholder's equity due to profits during the year |
| Trade Receivable Turnover Ratio | Revenue from operations | Average trade receivable (including unbilled revenue) | 4.01 | 4.01 | -0.06% | |
| Trade Payable Turnover Ratio | Other expenses | Average trade payables | 3.82 | 3.35 | 14.12% | |
| Net Capital Turnover Ratio | Revenue from operations | Working capital = Current assets - current liabilities | 3.65 | 3.76 | -2.97% | |
| Net Profit Ratio | Profit for the year | Revenue from operations | 1.05% | 1.91% | -44.79% | Due to decrease in profits during the year |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Shareholder's equity + total debt | 13.97% | 15.19% | -8.06% | |
| Return on Investment | Interest (finance income) + net fair value gains on current investments + net gain on sale of current investment | Investment = Non-current investment + current investment + non-current loans + current loans | 8.76% | 3.71% | 136.48% | Due to increase in Interest on Fixed Deposits. |



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TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 42 : Other Statutory Information

- (i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other persons or entities, 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) The Company have not received any fund from any persons or entities, 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 does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company has not been declared as wilful defaulter by any bank or financial institutions or other lender.
- (viii) The Company is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014. i.e. 5 August, 2022 onwards.
- (ix) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that, audit trail feature is not enabled for direct changes to data using privileged/ administrative access rights in so far it relates to Associate Life Cycle System and Sage Accpac. Additionally for Sage Accpac, edit log feature is not enabled for master data changes. Further, there is no known instance of audit trail feature being tampered with in respect of the accounting software used by the Company.
- (x) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013.



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TeamLease Digital Private Limited

Notes to financial statements for the year ended 31 March 2024

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

Note 43 : 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 44: CSR expenses

Consequent to the requirements of section 135 and schedule VII of the companies Act 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

- a) Gross amount required to be spent by the Company during the year
 b) Amount approved by the Board to be spent during the year
 c) Amount spent on purposes other than construction/acquisition of any asset

| | 31 March 2024 | 31 March 2023 |
|----|---------------|---------------|
| a) | 0.18 | - |
| b) | 0.18 | - |
| c) | - | - |

Amount Spent

- i) Contribution to Public Trust, Charitable Trust, etc.
 ii) Unspent amount in relation to ongoing projects

| | | |
|-----|------|---|
| i) | 0.18 | - |
| ii) | - | - |

- d) Details of other than ongoing project as per section 135(5) of the Act

| Particulars | Opening Balance | Amount deposited in specified funds of schedule VII with in 6 months | Amount required to be spent during the year | Amount spent during the year | Closing Balance |
|---------------|-----------------|--|---|------------------------------|-----------------|
| 31 March 2024 | - | - | 0.18 | 0.18 | - |
| 31 March 2023 | - | - | - | - | - |


Note: The provision of section 135 to the companies Act, 2013 in relation to corporate social responsibility is not applicable to the Company for the FY 2022-23.

Note 45: Previous Year Figures

The financial statements of the Company for the year ended March 31, 2023, included in these financial statements are merged numbers due to amalgamation of I.M.S.I. Staffing Private Limited and Keystone Business Solutions Private Limited with the Company, with effect from 1 April 2022 (as detailed in note 39), which has been audited by the another firm of chartered accountants, who expressed an unmodified opinion on those statements on 14 May 2024.

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
 TeamLease Digital Private Limited


 Ramani Dathi
 Director
 DIN: 08296675


 Alaka Chanda
 Director
 DIN: 08856604

Place: Bangalore
 Date: 22 May 2024

Place: Bangalore
 Date: 22 May 2024



S.R. Batliboi & Affiliates

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Ambli BRT Road, Behind Iskcon
Temple, Off SG Highway
Ahmedabad - 380 059

Bengaluru

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"UB City", Canberra Block
No. 24, Vittal Malliya Road
Bengaluru - 560 001

Chandigarh

Elite offices, Unit No. B-615
6th Floor, Plot No- 178-178A
Industrial & Business Park, Phase-I
Chandigarh - 160 002

Chennai

6th Floor - "A" Block
Tidel Park, No. 4, Rajiv Gandhi Salai
Taramani, Chennai - 600 113

Delhi NCR

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002

4th Floor, Worldmark - 2
IGI Airport Hospitality District
Aerocity New Delhi - 110 037

7th Floor, Plot No. 2B

Tower 3, Sector - 126

Gautam Budh Nagar, U.P.

Noida - 201 304

Hyderabad

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Survey No 83/1, Raidurgam

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Kochi

9th Floor, Abad Nucleus
NH-49, Maradu
Kochi, Kerala - 682 304

Kolkata

22, Camac Street
3rd Floor, Block 'B'
Kolkata - 700 016

Mumbai

12th Floor, The Ruby,
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028

Pune

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(Near Don Bosco School)
Pune - 411 006