

August 05, 2021

To The Secretary Listing Department BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001  Scrip Code: 539658	To The Secretary Listing Department National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051  Scrip Code: TEAMLEASE
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Dear Sir/Madam,

**Sub:** Notice and Annual Report of Twenty First (21<sup>st</sup>) Annual General Meeting of TeamLease Services Limited (the Company)

**Ref:** Regulation 30 and 34 of SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 read with its Amendments

With reference to captioned subject, we wish to inform that the 21<sup>st</sup> Annual General Meeting ("AGM") of TeamLease Services Limited ("the Company") is scheduled to be held on Friday, September 03, 2021 at 03:00 PM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM in compliance with the General Circular No. 20/2020 dated May 05, 2020 read together with MCA General Circular Nos. 14/2020, 17/2020 & 02/2021 dated April 08, 2020, April 13, 2020 and January 13, 2021, issued by the Ministry of Corporate Affairs ('MCA circulars'), and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (SEBI Circulars), and other applicable provisions of the Companies Act, 2013, to transact the businesses as set forth in the Notice of AGM dated July 28, 2021.

Pursuant to the provisions of Regulation 30 and 34 of the SEBI LODR Regulations, 2015, please find enclosed the Notice of the 21<sup>st</sup> AGM along with the Annual Report of the Company for the FY 2020-21.

In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 21<sup>st</sup> AGM along with the Annual Report for the FY 2020-21 have been sent only through electronic mode to those members whose email IDs are registered with the Company/ Depositories.

Further, the Notice of 21<sup>st</sup> AGM and the Annual Report for the FY 2020-21 are also made available on the website of the Company at [www.teamleasegroup.com](http://www.teamleasegroup.com).

Request you to kindly take the above intimation on record.

Thanking You

Yours Faithfully

For **TeamLease Services Limited**



**Alaka Chanda**

**Company Secretary and Compliance Officer**

Enclosed: Information at a Glance, Notice of AGM and Annual Report FY 2020- 21.

**TeamLease Services Limited, CIN No: L74140KA2000PLC118395**

Registered Office : 6th Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560095.

Ph : (91-80) 6824 3000 Fax: (91-80) 6824 3001 [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) / [www.teamlease.com](http://www.teamlease.com)

# INFORMATION AT A GLANCE:

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Day, Date and Time	Friday, September 03, 2021, at 03:00 P.M. IST
Venue	Video Conferencing/ Other Audio-Visual Means and the deemed venue of the AGM shall be TeamLease Registered Office at Bangalore.
Financial Year	April 01, 2020, to March 31, 2021
Cut-off date for determining the names of Shareholders eligible to get Notice of Annual General Meeting	Friday, July 30, 2021
Cut-off date for determining the names of Shareholders eligible to vote	Friday, August 27, 2021
Remote E-voting start time and date	Tuesday, August 31, 2021 (09:00 A.M. IST)
Remote E-voting end time and date	Thursday, September 02, 2021 (05:00 P.M. IST)
Remote E-voting website of KFinTech	<a href="https://evoting.kfintech.com/">evoting.kfintech.com/</a>
Name, address and contact details of E-Voting service Provider and Registrar and Transfer Agent	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032 Contact detail: KFinTech's toll free No.: 1- 800-309-4001
Email Registration & Contact Updation Process	<b>Demat Shareholders:</b> Contact respective Depository Participant. <b>Physical Shareholders:</b> Contact Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> along with signed scanned copy of the request letter providing the email address, mobile number, self- attested copy of the PAN card and copy of the Share Certificate.
Email Registration on Registrar and Transfer Agent's website	Members may visit the following Website and follow the Registration Process as guided therein: • KFinTech's Website <a href="https://ris.kfintech.com/email_registration/">https://ris.kfintech.com/email_registration/</a> .
Participation through Video- Conferencing	Members can login from 02:45 P.M. IST on the date of AGM at <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
Helpline Number for VC participation	Call KFinTech's toll free No.: 1- 800-309-4001
Submission of Questions / Queries Before AGM	Questions/queries shall be submitted 48 hours before the time fixed for AGM i.e., by 03:00 P.M. IST on September 01, 2021, by any of the following process: • Email to <a href="mailto:corporateaffairs@teamlease.com">corporateaffairs@teamlease.com</a> mentioning name, demat account no./folio number, email ID, mobile number, etc. • Members holding shares as on the cut-off date i.e., Friday, August 27, 2021, may also visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on "Post Your Queries" and post queries/views/questions in the window provided, by mentioning name, demat account number/ folio number, email ID and mobile number.
Speaker Registration Before AGM	Visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on "Speaker Registration" and register as Speaker until 48 hours before the time fixed for AGM i.e., from Monday, August 30, 2021 (09:00 A.M. IST) upto Wednesday, September 01, 2021 (03:00 P.M. IST).
Recorded transcript	Will be made available post AGM at <a href="https://www.teamleasegroup.com">https://www.teamleasegroup.com</a>

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## TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395

6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India

Tel.: + 91 80 6824 3000 Fax: + 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamleasegroup.com](http://www.teamleasegroup.com)

### **Twenty First (21<sup>st</sup>) Annual General Meeting – Friday, September 03, 2021**

July 28, 2021

#### **Dear Shareholder(s),**

You are cordially invited to attend the **Twenty First (21<sup>st</sup>)** Annual General Meeting (AGM) of the Shareholders of TeamLease Services Limited ("the Company") to be held on Friday, September 03, 2021 at 03:00 P.M. IST, through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility.

The Notice of the AGM, (AGM Notice/Notice) containing the businesses to be transacted is enclosed herewith. In terms of Section 108 of the Companies Act, 2013, read with the related Rules and Regulation 44 of SEBI LODR Regulations, 2015, the Company is pleased to provide its Shareholders, the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for E-Voting are enclosed herewith.

The Route Map to the venue of AGM, the Proxy Form for extending the facility for appointment of proxies by the Members, the Attendance Slip form are not enclosed to this AGM Notice, since this AGM is being held through VC/ OAVM pursuant to the applicable Ministry of Corporate Affairs and Securities and Exchange Board of India (MCA and SEBI) Circulars.

Very truly yours,

#### **Alaka Chanda**

Company Secretary and Compliance Officer

Membership No: F10911

TeamLease Services Limited

Registered Office:

6<sup>th</sup> Floor, BMTC Commercial Complex,

80 Ft Road, Koramangala,

Bangalore, Karnataka - 560095, India

Tel: + 91 80 6824 3000

Fax.: + 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)

[www.teamleasegroup.com](http://www.teamleasegroup.com)

Enclosures:

1. Notice to the 21<sup>st</sup> Annual General Meeting
2. Instructions for E-Voting

# NOTICE OF THE TWENTY FIRST (21<sup>ST</sup>) ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First (21<sup>st</sup>) Annual General Meeting (AGM) of the Shareholders of TeamLease Services Limited (CIN L74140KA2000PLC118395) ("TeamLease"/"Company") will be held on Friday, September 03, 2021, at 03:00 P.M. IST, through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") facility, to transact the following businesses:

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at TeamLease Services Limited, 6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka- 560095, India, which shall be the deemed venue of the AGM.

SL. NO(S)	PARTICULAR(S)
<b>A. ORDINARY BUSINESSES:</b>	
Item No. 1	To receive, consider and adopt Audited Standalone Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.
Item No. 2	To receive, consider and adopt Audited Consolidated Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.
Item No. 3	To receive, consider and adopt the Report of the Board of Directors for the Financial Year ended March 31, 2021.
Item No. 4	To appoint a Director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601), who retires by rotation and being eligible, offers himself for re-appointment.
<b>B. SPECIAL BUSINESSES:</b>	
Item No. 5	To appoint Mr. Mekin Maheshwari (DIN: 03621431) as an Independent Director of the Company.
Item No. 6	To appoint Mrs. Meenakshi Nevatia (DIN: 08235844) as an Independent Director of the Company
Item No. 7	To appoint Mr. Subramaniam Somasundaram (DIN : 01494407) as an Independent Director of the Company
Item No. 8	To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19 <sup>th</sup> ) AGM of the Company held on August 23, 2019.

## A. ORDINARY BUSINESSES:

### ITEM NO. 1

**To receive, consider and adopt Audited Standalone Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.**

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, and the report of the Auditor's thereon, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 2

**To receive, consider and adopt Audited Consolidated Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.**

"**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, and the report of the Auditor's thereon, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 3

**To receive, consider and adopt the Report of the Board of Directors for the Financial Year ended March 31, 2021.**

"**RESOLVED THAT** the report of the Board of Directors, for the Financial Year ended March 31, 2021, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 4

**To appoint a Director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601), who retires by rotation and being eligible, offers himself for re-appointment.**

#### Statutory Requirement:

Pursuant to Clause 58 of the Articles of Association of the Company and pursuant to Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Executive Directors and Non-Executive Directors other than Independent Directors are liable to retire by rotation and can seek re-appointment. Mr. Manish Mahendra Sabharwal, Executive Vice Chairman being the longest in office is liable to retire this year and is also eligible for re-appointment.

## **Background:**

Mr. Manish Mahendra Sabharwal is Executive Vice Chairman of the Board as on the date of this AGM Notice. He was appointed for the second term as Chairman and Whole Time Director of the Company effective September 01, 2020, till March 31, 2022, which was approved by the Shareholders at the Annual General Meeting held on September 04, 2020. Pursuant to the Executive Director's liability to retire by rotation and eligibility to seek re-appointment, Mr. Sabharwal being eligible to be appointed as a Director, has offered himself for re-appointment as a Director.

## **Proposal:**

Therefore, Shareholders are requested to consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Manish Mahendra Sabharwal (DIN: 00969601), as Director of the Company, to the extent that he is required to retire by rotation."

## **B. SPECIAL BUSINESSES:**

### **ITEM NO. 5**

#### **To appoint Mr. Mekin Maheshwari (DIN: 03621431) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the consent of the Shareholders be and is hereby accorded to appoint Mr. Mekin Maheshwari (DIN: 03621431), as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective June 09, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and pursuant to Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, Mr. Mekin Maheshwari

(DIN: 03621431), who meets the criteria for Independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from June 09, 2021 to June 08, 2026.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to give effect to this resolution."

### **ITEM NO. 6**

#### **To appoint Mrs. Meenakshi Nevatia (DIN: 08235844) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the consent of the Shareholders be and is hereby accorded to appoint Mrs. Meenakshi Nevatia (DIN: 08235844), as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective July 28, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and pursuant to Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, Mrs. Meenakshi Nevatia (DIN: 08235844), who meets the criteria for Independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from July 28, 2021 to July 27, 2026.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to give effect to this resolution."



## ITEM NO. 7

**To appoint Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the consent of the Shareholders be and is hereby accorded Mr. Subramaniam Somasundaram (DIN : 01494407) as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective July 28, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and pursuant to Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015 Mr. Subramaniam Somasundaram (DIN : 01494407), who meets the criteria for Independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from July 28, 2021 to July 27, 2026."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to give effect to this resolution."

## ITEM NO. 8

**To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19<sup>th</sup>) AGM of the company held on August 23, 2019**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder, (including any modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the Shareholders do hereby accord its consent and approval to make amendments for the second time in the existing "TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019" ("ESAR 2019"/"Plan") to the extent of increasing the ESARs vesting period to not later than Five (5) years from the Grant Date of such ESARs, as against Four (4) years currently in the ESAR 2019/Plan.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

Registered Office:  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Ft Road, Koramangala,  
Bangalore, Karnataka - 560095, India  
Tel.: 91 80 6824 3000  
Fax: 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)

[www.teamleasegroup.com](http://www.teamleasegroup.com)

Date: July 28, 2021

Place: Bangalore

By Order of the Board of Directors

**TeamLease Services Limited**

**Alaka Chanda**

Company Secretary and Compliance Officer

Membership No: F10911

## Notes:

1. Considering the present COVID-19 pandemic and in compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 20/2020 dated May 05, 2020 read together with MCA General Circular Nos. 14/2020, 17/2020 & 02/2021 dated April 08, 2020, April 13, 2020 and January 13, 2021 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (hereinafter collectively referred to as "the Circulars"), the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC" / "OAVM") without the physical presence of stakeholders at a common venue.

KFin Technologies Private Limited, Registrar & Transfer Agent of the Company, (Formerly known as Karvy Fintech Private Limited) ("KFintech") shall be providing facility for voting through remote E-Voting, for participation in the AGM through VC/ OAVM facility and E-Voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 25 below.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM on their behalf and cast their votes through remote E-Voting or at the AGM. Corporate/Institutional Members intending to authorize their representatives to participate and vote at the AGM are requested to send a certified copy of the Board Resolution / Authorization Letter to the Company at e-mail ID [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) with a copy marked to [evoting.kfintech.com/](mailto:evoting.kfintech.com/), authorizing its representative(s) to attend and vote through VC/OAVM

on their behalf at the Meeting, pursuant to Section 113 of the Act.

5. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
6. In compliance with applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015 read with above mentioned MCA and SEBI Circulars, the AGM of the Company is being conducted through VC/OAVM.

In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards -1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

7. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Businesses at the AGM, is annexed hereto.

The Board of Directors have considered and decided to include the Item Nos. 5, 6, 7 and 8 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature.

In terms of the provisions of Section 152 of the Act, Mr. Manish Mahindra Sabharwal, Director, retires by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.

Mr. Manish Mahindra Sabharwal is interested in the Ordinary Business set out at Item No. 4 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 4 of the Notice.

Details of Directors retiring by rotation / seeking appointment at this Meeting are provided in the "Annexure" to the Notice.

8. Pursuant to the Notification issued by the Ministry of Corporate Affairs on May 07, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

9. In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names will be entitled to vote.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., September 03, 2021. Members seeking to inspect such documents can send an email to [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com).
11. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the AGM.
12. Notice is sent to all the Shareholders (electronic copy), whose names appear in the Register of Shareholders as on Friday, July 30, 2021. The Notice of the AGM is also hosted on the website of the Company i.e., <https://www.teamleasegroup.com/annual-reports>.
13. Shareholders holding shares in electronic form are advised to inform the particulars of their bank account, change of address and email ID to their respective depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of address and email ID to the Company or Registrar and Share Transfer Agents, KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), (KFinTech) Unit TeamLease Services Limited, Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.
14. Shareholders holding shares in electronic (demat) form or in physical mode are requested to quote their DP ID & Client ID or Folio details respectively in all correspondences, to KFinTech. Shareholders holding shares in physical form are requested to approach their DP for dematerialization of their shares as per SEBI notification dated June 08, 2018 which mandates the transfer of securities to be in dematerialized form only, with effect from December 05, 2018. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s). Shareholders holding shares in physical form are required to submit their PAN details to KFinTech.
16. Shareholders holding shares in single name in physical mode are advised to make nomination in respect of their shareholding in the Company. Shareholders holding shares in electronic mode may contact their respective depository participants for availing the nomination facility. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFinTech at the above mentioned address.
17. Shareholders who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to KFinTech, for consolidation into a single folio.
18. Mr. Mukesh Siroya, Practicing Company Secretary, Mumbai, has been appointed as the Scrutiniser to scrutinise the E-Voting process in a fair and transparent manner. In case of any failure/inability to scrutinise the E-Voting process by Mr. Mukesh Siroya, Ms. Bhavyata Acharya (Membership No. A25734; CoP No. 21758), Practicing Company Secretary, shall be the alternate Scrutinizer to him.  
  
The Scrutiniser will, after the conclusion of E-Voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote E-Voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Friday, September 03, 2021.
19. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-ID [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), at least 48 hours before the time fixed for the AGM i.e., by 03:00 P.M. IST on September 01, 2021, mentioning their name, demat



account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

Alternatively, Members holding shares as on the E-Voting cut-off date i.e., Friday, August 27, 2021, may also visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries" and post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be closed 48 hours before the time fixed for the AGM at 03:00 P.M. IST on September 01, 2021.

The Company will, at the AGM, endeavour to address the queries received till 03:00 P.M. IST on September 01, 2021 from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

Members of the Company, holding shares as on the cut-off date i.e., Friday, August 27, 2021 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by visiting <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Monday, August 30, 2021 (09:00 A.M. IST) upto Wednesday, September 01, 2021 (03:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

20. Non-Resident Indian Shareholders are requested to inform KFintech / respective depository participants, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

The Company will not be dispatching physical copies of Annual Report and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFintech by following due procedure.

Shareholders may note that Twenty First (21<sup>st</sup>) AGM Notice, Annual Report 2021 and E-Voting instructions are also available on the Company's website i.e., <https://www.teamleasegroup.com/annual-reports> and website of the Stock Exchanges where the shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFintech at [evoting.kfintech.com/](http://evoting.kfintech.com/).

21. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Shareholders the facility to exercise their right to vote on resolutions proposed to be considered at the Twenty First (21<sup>st</sup>) AGM by electronic means and the business may be transacted through E-Voting services. The facility of casting the votes by the Shareholders using an electronic voting system from a place other than venue of the AGM ("remote E-Voting") will be provided by KFintech.
22. The voting through electronic means is scheduled as below:

The Company has fixed Friday, August 27, 2021 as Cut-off date for determining the Shareholders eligible for voting, through electronic means as well as during the AGM.

Commencement of remote E-Voting	Tuesday, August 31, 2021 (09:00 A.M. IST)
End of remote E-Voting	Thursday, September 02, 2021 (05:00 P.M. IST)

Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., Friday, August 27, 2021.

23. In accordance with MCA and SEBI Circulars, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Annual Report 2021 and the Notice of the Twenty First (21<sup>st</sup>) AGM are being sent by electronic mode only to Shareholders whose email ID are registered with the Company/ Depository Participant(s) for communication purpose.

The members who have cast their vote(s) by remote E-Voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. A member can opt for only single mode of voting per EVEN, i.e., through remote E-Voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote E-Voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

A person who is not a member as on the cutoff date, should treat the Notice for information purpose only.

24. The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, for Item Nos. 4, 5, 6, and 7 of the Notice are mentioned in Annexure 1, 2, 3, 4 of this AGM Notice.

## **25. INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a. ATTENDING THE AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote E-Voting credentials.
- b. Please note that Members who do not have the remote E-Voting credentials like User ID and Password for E-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in E-Voting Instructions forming part of this AGM Notice.
- c. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during

the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox.

Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.

- d) Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at Note No. 25(a) above in the Notice and this mode will be available throughout the proceedings of the AGM.
  - e) In case of any query and/or help, in respect of attending AGM through VC/OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of [evoting.kfintech.com/](http://evoting.kfintech.com/) or contact at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), or contact Ms. Rajitha Cholleti / Mr. Premkumar Nair - Corporate Registry, KFintech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting.kfintech.com/](http://evoting.kfintech.com/) or call KFintech's toll free No.: 1- 800-309-4001 for any further clarifications.
26. The results shall be declared within 2 working days from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at <https://www.teamleasegroup.com> and the website of KFintech: [evoting.kfintech.com/](http://evoting.kfintech.com/) immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.

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Registered Office:  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Ft Road, Koramangala,  
Bangalore, Karnataka - 560095, India  
Tel.: 91 80 6824 3000  
Fax: 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)  
[www.teamleasegroup.com](http://www.teamleasegroup.com)

Date: July 28, 2021  
Place: Bangalore

By Order of the Board of Directors  
**TeamLease Services Limited**

**Alaka Chanda**  
Company Secretary and Compliance Officer  
Membership No: F10911

# INFORMATION AT A GLANCE:

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Day, Date and Time	Friday, September 03, 2021, at 03:00 P.M. IST
Venue	Video Conferencing/ Other Audio-Visual Means and the deemed venue of the AGM shall be TeamLease Registered Office at Bangalore.
Financial Year	April 01, 2020, to March 31, 2021
Cut-off date for determining the names of Shareholders eligible to get Notice of Annual General Meeting	Friday, July 30, 2021
Cut-off date for determining the names of Shareholders eligible to vote	Friday, August 27, 2021
Remote E-voting start time and date	Tuesday, August 31, 2021 (09:00 A.M. IST)
Remote E-voting end time and date	Thursday, September 02, 2021 (05:00 P.M. IST)
Remote E-voting website of KFinTech	<a href="https://evoting.kfintech.com/">evoting.kfintech.com/</a>
Name, address and contact details of E-Voting service Provider and Registrar and Transfer Agent	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032 Contact detail: KFinTech's toll free No.: 1- 800-309-4001
Email Registration & Contact Updation Process	<b>Demat Shareholders:</b> Contact respective Depository Participant. <b>Physical Shareholders:</b> Contact Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> along with signed scanned copy of the request letter providing the email address, mobile number, self- attested copy of the PAN card and copy of the Share Certificate.
Email Registration on Registrar and Transfer Agent's website	Members may visit the following Website and follow the Registration Process as guided therein: • KFinTech's Website <a href="https://ris.kfintech.com/email_registration/">https://ris.kfintech.com/email_registration/</a> .
Participation through Video- Conferencing	Members can login from 02:45 P.M. IST on the date of AGM at <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
Helpline Number for VC participation	Call KFinTech's toll free No.: 1- 800-309-4001
Submission of Questions / Queries Before AGM	Questions/queries shall be submitted 48 hours before the time fixed for AGM i.e., by 03:00 P.M. IST on September 01, 2021, by any of the following process: • Email to <a href="mailto:corporateaffairs@teamlease.com">corporateaffairs@teamlease.com</a> mentioning name, demat account no./folio number, email ID, mobile number, etc. • Members holding shares as on the cut-off date i.e., Friday, August 27, 2021, may also visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on "Post Your Queries" and post queries/views/questions in the window provided, by mentioning name, demat account number/ folio number, email ID and mobile number.
Speaker Registration Before AGM	Visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on "Speaker Registration" and register as Speaker until 48 hours before the time fixed for AGM i.e., from Monday, August 30, 2021 (09:00 A.M. IST) upto Wednesday, September 01, 2021 (03:00 P.M. IST).
Recorded transcript	Will be made available post AGM at <a href="https://www.teamleasegroup.com">https://www.teamleasegroup.com</a>

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## ANNEXURE 1 (For Agenda Item 4)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### Mr. Manish Mahendra Sabharwal (DIN: 00969601)

Mr. Manish Mahendra Sabharwal is the co-founder and currently the Executive Vice Chairman of our Company.

### Brief Profile of Mr. Manish Mahendra Sabharwal and Nature of Expertise:

Mr. Manish Mahendra Sabharwal aged about 51 years is the Executive Vice Chairman of TeamLease. Prior to co-founding the Company, he had co-founded India Life, a payroll and pension services company in 1996 that was acquired by Hewitt Associates in 2002. Consequently, he was Chief Executive Officer of Hewitt Outsourcing (Asia) based in Singapore. Mr. Sabharwal is a member of the National Skill Mission, Central Advisory Board of Education and has served on various policy committees for education, employment and employability. He served as an Independent Director on the Board of the Reserve Bank of India (RBI). He is a Member of Advisory Board of the Comptroller and Auditor General (CAG) and a governing board member of National Council of Applied Economic Research (NCAER). He is also Managing Trustee of the New India Foundation that offers fellowships for writing books about post-1947 India and is a columnist for Indian Express. He got his MBA from The Wharton School and is an alumnus of Shriram College, Delhi and Mayo College, Ajmer.

### Other Details:

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Attended all the eight (8) Board Meetings conducted during the Financial Year

### Indian Public Companies (Listed and Unlisted) in which Mr. Manish Mahendra Sabharwal holds Directorship and Committee Chairmanship/Membership:

Company	Director	Committee	Chairman
TeamLease Services Limited	Yes-Executive Vice Chairman	-	-
Pennar Industries Limited	Yes-Independent Director	-	-

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

Please refer to KMP remuneration details in Annexure VI for his remuneration breakup.

## ANNEXURE 2 (For Agenda Item 5)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### **Mr. Mekin Maheshwari (DIN: 03621431)**

Mr. Mekin Maheshwari is currently the Independent Director (Additional) of our Company appointed with effect from June 09, 2021.

### **Brief Profile of Mr. Mekin Maheshwari (DIN: 03621431) and Nature of Expertise:**

Mr. Mekin Maheshwari is the Founder and CEO, Udhyam Learning Foundation. He is a graduate in engineering from PESIT, Bangalore. He started his career in 2002 with Yahoo! and then went on to join Ugenie where he created weRead - a successful social network around books. He was an early team member at Flipkart in 2009 where he played various roles. As Head of Engineering, he built a great tech team, which he counts as his biggest professional achievement till date. He then went on to establish two small start-ups within Flipkart and finally took on the role of Chief People Officer. He moved on from Flipkart in March 2016. In 2017, he started Udhyam Learning Foundation, a not-for-profit organisation. Udhyam aims to develop entrepreneurial mindsets amongst youth and nano entrepreneurs to help them pursue their potential. He is also Co-founder of GAME (Global Alliance for Mass Entrepreneurship) which was started in 2018. He is an angel investor for non-profit, social and tech start-ups.

### **Other Details:**

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Appointed on June 09, 2021
Terms and Conditions of appointment / re-appointment	Explanatory statement covers the relevant details
Details of Remuneration sought to be paid	Sitting Fees as approved by the Board from time to time

### **Indian Public Companies (Listed and Unlisted) in which Mr. Mekin Maheshwari holds Directorship and Committee Chairmanship/ Membership:**

Company	Director	Committee	Chairman
	-	NA	-

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).



## ANNEXURE 3 (For Agenda Item 6)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



**Mrs. Meenakshi Nevatia (DIN: 08235844)**

Mrs. Meenakshi Nevatia is currently the Independent Director (Additional) of our Company appointed with effect from July 28, 2021.

**Brief Profile of Mrs. Meenakshi Nevatia (DIN: 08235844) and Nature of Expertise:**

Mrs. Meenakshi Nevatia is the Managing Director of Stryker India since October 2018. Over the last 2.5 years, she has focused on transforming the organization into a truly customer focused company while significantly strengthening operational basics and building a vibrant organization culture that can attract and retain the best talent in the industry.

Prior to joining Stryker, Mrs. Nevatia had a successful 15-year stint with Novartis, where she served in various sales, marketing and business leadership positions across geographies including Switzerland, UK, Spain, Hong Kong and Thailand. Her last role in Novartis was as Country President and Pharma Division head for Novartis in Thailand.

Mrs. Nevatia started her career with McKinsey & Company in 1994, where she led various projects in the Healthcare Practice (Pharmaceuticals, Medical Devices & Health Insurance) across several markets including India, Singapore, U.S. and South Africa.

Mrs. Nevatia has a Master of Business Administration in Strategy and Finance from the Indian Institute of Management, Ahmedabad (IIM A) and Bachelor of Science in Economics and Mathematics from the Presidency College, Kolkata.

Mrs. Nevatia is on the Board of the Medical Technology Association of India (MTAI), on the Governing Council of Nathealth and is the Chair of the Med Tech Committee at AMCHAM (American Chamber of Commerce).

**Other Details:**

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Appointed on July 28, 2021
Terms and Conditions of appointment / re-appointment	Explanatory statement covers the relevant details
Details of Remuneration sought to be paid	Sitting Fees as approved by the Board from time to time

**Indian Public Companies (Listed and Unlisted) in which Mrs. Meenakshi Nevatia holds Directorship and Committee Chairmanship/ Membership:**

Company	Director	Committee	Chairman
		NA	

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

## ANNEXURE 4 (For Agenda Item 7)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### **Mr. Subramaniam Somasundaram (DIN : 01494407)**

Mr. Subramaniam Somasundaram is currently the Independent Director (Additional) of our Company appointed with effect from July 28, 2021.

### **Brief Profile of Mr. Subramaniam Somasundaram (DIN : 01494407) and Nature of Expertise:**

Mr. Subramaniam Somasundaram was the Chief Financial Officer for Titan Company Limited for a decade till his superannuation in June 2021. During the stint with Titan, he was also on the Board of its subsidiaries like Caratlane Trading Pvt Ltd, Titan Engineering and Automation Ltd, Favre Leuba AG and the joint venture, Montblanc India Retail Pvt Ltd. He is also on the Board of Innoviti Payment Solutions Pvt Ltd.

Before joining Titan, he was in the Telecom industry for over 11 years including stints of CFO for BPL Mobile group and CEO for BPL Mobile operations in Mumbai and CFO of the Telecom vertical in Essar group and worked extensively in setting up its foray into green field telecom operations in Africa.

A Chartered Accountant and Cost Accountant by qualification and with over 35 years of post-qualification experience in Finance, Strategy and Business roles, specifically in areas like controllership, treasury and fund raising in India and in overseas markets, debt restructuring, preparation for IPO, mergers and acquisitions, business partnering and investor relations.

His previous job experiences included working with A F Ferguson & Co, ITC Limited and VST Industries in India and Mannai Group in Doha, Qatar.

### **Other Details:**

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Appointed on July 28, 2021
Terms and Conditions of appointment / re-appointment	Explanatory statement covers the relevant details
Details of Remuneration sought to be paid	Sitting Fees as approved by the Board from time to time

### **Indian Public Companies (Listed and Unlisted) in which Mr. Subramaniam Somasundaram holds Directorship and Committee Chairmanship/ Membership:**

Company	Director	Committee	Chairman
		NA	

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

## Explanatory Statement (s) as required under the provisions of Section 102 of the Companies Act, 2013

### ITEM NO.5

#### To appoint Mr. Mekin Maheshwari as an Independent Director of the Company

**The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are mentioned in Annexure 2 of this AGM Notice.**

The Board of Directors ("Board") based on recommendation of the Nomination and Remuneration Committee, appointed Mr. Mekin Maheshwari as an Additional (Non-Executive) Independent Director of the Company effective June 09, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles of Association of the Company, Mr. Mekin Maheshwari (DIN: 03621431) will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Mekin Maheshwari for the office of Independent Director. The Company has received from Mekin Maheshwari (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (iv) The Independent Director have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mr. Mekin Maheshwari as an Independent Director of the Company for a period of five years commencing from June 09, 2021 to June 08, 2026.

Mr. Mekin Maheshwari, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mr. Mekin Maheshwari is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members.

Mr. Mekin Maheshwari's appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice except Mr. Mekin Maheshwari to whom this resolution relates.**

The Board recommends the resolution set forth in Item No. 5 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for electronic inspection by the Shareholders, without any fees at the Registered Office of the Company.

### ITEM NO.6

#### To appoint Mrs. Meenakshi Nevatia as an Independent Director of the Company

**The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are mentioned in Annexure 3 of this AGM Notice.**

The Board of Directors ("Board") based on recommendation of the Nomination and Remuneration Committee, appointed Mrs. Meenakshi Nevatia as an Additional (Non-Executive) Independent Director of the Company effective July 28, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles of Association of the Company Mrs. Meenakshi Nevatia (DIN: 08235844) will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Mrs. Meenakshi Nevatia for the office of Independent Director. The Company has received from Mrs. Meenakshi Nevatia (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors)

Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (iv) The Independent Director have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mrs. Meenakshi Nevatia as an Independent Director of the Company for a period of five years commencing from July 28, 2021 to July 27, 2026.

Mrs. Meenakshi Nevatia, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mrs. Meenakshi Nevatia is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members.

Mrs. Meenakshi Nevatia's appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice except Mrs. Meenakshi Nevatia to whom this resolution relates.**

The Board recommends the resolution set forth in Item No. 6 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for electronic inspection by the Shareholders, without any fees at the Registered Office of the Company.

#### **ITEM NO.7**

**To appoint Mr. Subramaniam Somasundaram as an Independent Director of the Company**

**The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are mentioned in Annexure 4 of this AGM Notice.**

The Board of Directors ("Board") based on recommendation of the Nomination and Remuneration Committee, appointed Mr. Subramaniam Somasundaram as an Additional (Non-Executive) Independent Director of the Company effective July 28, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles To appoint Mr. Subramaniam Somasundaram (DIN : 01494407) as an Independent Director of the Company will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Mr. Subramaniam Somasundaram for the office of Independent Director. The Company has received from Mr. Subramaniam Somasundaram (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (iv) The Independent Director have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mr. Subramaniam Somasundaram as an Independent Director of the Company for a period of five years commencing from July 28, 2021 to July 27, 2026.

Mr. Subramaniam Somasundaram, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mr. Subramaniam Somasundaram is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members.

Mr. Subramaniam Somasundaram appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice except Mr. Subramaniam Somasundaram to whom this resolution relates.**

The Board recommends the resolution set forth in Item No. 7 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for electronic inspection by the Shareholders, without any fees at the Registered Office of the Company.

#### **ITEM NO.8**

**To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19<sup>th</sup>) AGM of the company held on August 23, 2019**

The Company had availed the approval of Shareholders vide the 19<sup>th</sup> Annual General Meeting of the Company held on August 23, 2019, to implement the TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") for the welfare of the Employees of the Company and its Subsidiary Companies. The objective of the Plan is to reward and incentivise employees for their skills, talent and performance. However, the said Plan had extended absolute approval powers granted to the Nomination and Remuneration Committee and also allowed for settlement of fractional shares in cash or as decided by the Nomination and Remuneration Committee of the Board.

The Company had availed the approval of Shareholders vide the 20<sup>th</sup> Annual General Meeting of the Company held on September 04, 2020 to amend the TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") for the first time, to bring the existing Plan in sync with the Companies Act, 2013, SEBI LODR Regulations, 2015 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to amend the existing TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") to the extent of giving review and recommendatory powers to the Nomination and Remuneration Committee of the Company and approval powers to the Board of Directors of the Company pertaining to the management and/or monitoring of the Plan, as against the current absolute approval powers granted to the Nomination and Remuneration Committee in the said

existing Plan and to ensure settlement of fractional shares should always be in cash without any discretionary powers extended to the Nomination and Remuneration Committee of the Board towards settlement of fractional shares in any other mode except cash, hereby known as the first amendment of TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") effective from date of shareholders' approval, i.e. September 04, 2020.

The Company now proposes to amend the TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") for the second time subject to shareholders' approval hereby known as the second amendment of TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") effective from date of shareholders' approval i.e. September 03, 2021. In sync with the Companies Act, 2013, SEBI LODR Regulations, 2015 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, the Management proposes to amend the existing TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") to the extent of increasing the ESARs vesting period to not later than Five (5) years from the Grant Date of such ESARs, as against Four (4) years currently in the ESAR 2019/Plan.

Changes proposed:

<b>SL. NO</b>	<b>Existing Vesting Clause (Clause 7.1)</b>	<b>Proposed amendment (Clause 7.1)</b>
1	ESARs granted under ESAR 2019 would Vest after One (1) year but not later than Four (4) years from the Grant Date of such ESARs.	ESARs granted under ESAR 2019 would Vest after One (1) year but not later than Five (5) years from the Grant Date of such ESARs.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.**

The Board recommends the resolution set forth in Item No. 8 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for inspection by the Shareholders at the Registered Office of the Company.





## TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395

6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India

Tel.: + 91 80 6824 3000 Fax: + 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamleasegroup.com](http://www.teamleasegroup.com)

### Twenty First (21<sup>st</sup>) Annual General Meeting – Friday, September 03, 2021

**Dear Shareholder(s),**

**Subject: Instructions for E-Voting**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of the SEBI LODR Regulations, 2015 the Company is pleased to provide E-Voting facility to the Shareholders to cast their votes electronically on all resolutions set forth in the Notice convening **Twenty First (21st)** AGM to be held on Friday, September 03, 2021, at 03:00 P.M. IST through VC/OAVM facility. The Company has engaged the services of KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) (KFinTech) to provide the E-Voting facility.

The Notice is displayed on the Company's website, <https://www.teamleasegroup.com/annual-report> and on the Website of KFinTech, <https://evoting.kfintech.com/>

The E-Voting facility is available at the link, <https://evoting.kfintech.com/>

The E-Voting facility will be available during the following voting period:

<b>Commencement of E-Voting</b>	<b>End of E-Voting</b>
Tuesday, August 31, 2021 at 09:00 A.M. IST	Thursday, September 02, 2021 at 05:00 P.M. IST

The remote E-Voting facility shall not be allowed beyond the aforesaid date and time and the E-Voting module shall be disabled by KFinTech upon expiry of said period.

Please read the instructions printed below before exercising your vote:

These details and instructions form an integral part of the Notice for the Twenty First (21st) AGM of the Company to be held on Friday, September 03, 2021.

Registered Office:  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Ft Road, Koramangala,  
Bangalore, Karnataka - 560095, India  
Tel: + 91 80 6824 3000  
Fax.: + 91 80 6824 3001

By Order of the Board of Directors  
**TeamLease Services Limited**

**Alaka Chanda**  
Company Secretary and Compliance Officer  
Membership No: F10911

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)  
[www.teamleasegroup.com](http://www.teamleasegroup.com)

Date: July 28, 2021

Place: Bangalore

## PROCEDURE FOR REMOTE E-VOTING

- A. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the E-Voting services provided by KFintech on all resolutions set forth in this Notice, through remote E-Voting.

Members are requested to note that the Company is providing facility for remote E-Voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote E-Voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

### Instructions:

- a. Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number ("EVEN"), USER ID and password:

- (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- (ii) Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.

However, if you are already registered with KFintech for E-Voting, you can login by using your existing User ID and password for casting your vote.

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any

other person and that you take utmost care to keep your password confidential.

- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., TeamLease Services Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (ix) Members holding multiple folios/ demat accounts shall vote separately for each folio/ demat account.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xii) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., duly authorising their authorized representative(s) to attend the AGM through VC/ OAVM on its behalf and to vote through remote E-Voting to the Company at the e-mail ID [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and it should reach the Company by email not later than Thursday, September 02, 2021 (05:00 P.M. IST). In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of AGM.

b. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and inform KFintech at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) (in case of Shares held in physical form):

(i) Upon registration, Member will receive an e-mail from KFintech which includes details of E-Voting Event Number (EVEN), USER ID and password.

(ii) Please follow all steps from Note. No. A (a) (i) to (xii) above to cast your vote by electronic means.

## B. OTHER INSTRUCTIONS:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com/> or contact at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), or Ms. Rajitha Cholleti / Mr. Premkumar Nair - Corporate Registry at KFintech, Selenium, Tower B, Plot No. 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No.:1- 800-309-4001 for any further clarifications.

b. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

c. The remote E-Voting period commences on Tuesday, August 31, 2021 (09:00 A.M. IST) and ends on Thursday, September 02, 2021 (05:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Friday, August 27, 2021 may cast their votes electronically. The remote E-Voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is not a Member as on the cutoff date should treat this Notice for information purposes only.

d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Friday, August 27, 2021, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e., Friday, August 27, 2021, he/she/it may obtain the User ID and Password in the manner as mentioned below:

(i) If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD ←space→ Folio No. or DP ID Client ID to +91 9212993399.

In case of physical holding, prefix Folio No. with EVEN.

Example for NSDL:

MYEPWD ←space→ IN12345612345678

Example for CDSL:

MYEPWD ←space→ 1402345612345678

Example for Physical:

MYEPWD ←space→ XXXX1234567890

(XXXX being EVEN)

(ii) If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

(iii) Member may call KFintech toll free number 1- 800-309-4001.

(iv) Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

KFintech shall send User ID and Password to those new Members whose e-mail IDs are available.

## VOTING AT THE AGM:

a. The procedure for E-Voting during the AGM is same as the instructions mentioned above for remote E-Voting since the AGM is being held through VC/OAVM.

b. The E-Voting window shall be activated upon instructions of the Chairman of the AGM during the AGM.

c. E-voting during the AGM is integrated with the VC/ OAVM platform and no separate login is required for the same. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the AGM.

- d. Members who have already cast their votes by remote E-Voting are eligible to attend the AGM through VC/ OAVM; however, these Members are not entitled to cast their vote again during the AGM. A Member can opt for only single mode of voting i.e., through Remote E-Voting or voting through VC/ OAVM mode during the AGM.

#### **PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING**

#### **INSTRUCTIONS FOR THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFINTech (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):**

- I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
- Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - Members holding shares in physical form may register their email address and mobile number with KFin Technologies Private Limited by sending an email request at the email ID einward. [ris@kfintech.com](mailto:ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the E-Voting instructions.
- II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFintech for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFintech are required to provide their email address to KFintech, on or before 05:00 P.M. IST on August 27, 2021.

The process for registration of email address with KFintech for receiving the Notice of AGM and login ID and password for E-Voting is as under:

- Visit the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/)
  - Select the Company name viz. TeamLease Services Limited.
  - Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
  - Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
  - Enter your email address and mobile number.
  - The system will then confirm the email address for receiving this AGM Notice. The Members may also visit the website of the Company [www.teamleasegroup.com](http://www.teamleasegroup.com) and click on the "email registration" and follow the registration process as guided thereafter. Please note that in case of shareholding in dematerialised form, the updation of email address will be temporary only upto AGM. After successful submission of the email address, KFintech will email a copy of this AGM Notice along with the E-Voting user ID and password. In case of any queries, Members are requested to write to KFintech.
- III. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/Fintech to enable serving of notices/documents/Annual Reports and other communications electronically to their email address in future.

#### **PROCEDURE TO LOGIN THROUGH WEBSITES OF DEPOSITORIES**

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants as detailed below. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

## Option 1 – Login through Depositories

NSDL	CDSL
<ol style="list-style-type: none"><li>Members who have already registered and opted for IDeAS facility to follow below steps:<ol style="list-style-type: none"><li>Go to URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li><li>Click on the "Beneficial Owner" icon under 'IDeAS' section.</li><li>On the new page, enter the existing User ID and Password. Post successful authentication, click on "Access to e-Voting"</li><li>Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period</li></ol></li><li>User not registered for IDeAS e-Services<ol style="list-style-type: none"><li>To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> [Select "Register Online for IDeAS"] or <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Proceed with completing the required fields.</li></ol></li><li>First-time users can visit the e-Voting website directly and follow the process below:<ol style="list-style-type: none"><li>Go to URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li><li>Click on the icon "Login" which is available under 'Shareholder/Member' section.</li><li>Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li><li>Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li><li>Click on the company name or e-Voting service provider name and you will be redirected to eVoting service provider website for casting your vote during the remote e-Voting period.</li></ol></li></ol>	<ol style="list-style-type: none"><li>Members who have already registered and opted for Easi / Easiest to follow below steps:<ol style="list-style-type: none"><li>Go to URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> ; or</li><li>URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select New System Myeasi</li><li>Login with user id and password.</li><li>The option will be made available to reach e-Voting page without any further authentication.</li><li>Click on company name or e-Voting service provider name to cast your vote during the remote e-Voting period</li></ol></li><li>User not registered for Easi/Easiest<ol style="list-style-type: none"><li>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>Proceed with completing the required fields.</li></ol></li><li>First-time users can visit the e-Voting website directly and follow the process below:<ol style="list-style-type: none"><li>Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li><li>Click on the icon "E-Voting"</li><li>Provide demat Account Number and PAN No.</li><li>System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li><li>After successful authentication, the user will be provided links for the respective ESP where the eVoting is in progress.</li><li>Click on the company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li></ol></li></ol>

## Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period



# PUTTING INDIA TO



Annual | 2 0 2 0  
Report | 2 0 2 1

TeamLease Services Limited



India today ranks among the largest economies in the world – with a large human resource pool. However, lack of formal jobs, vocational training and regulatory hurdles articulate themselves in vastly challenging prospects for people as well as the country.

While informal administrative setups allow smaller companies to dodge formal obligations, to nurture enterprises and facilitate job creation, it becomes imperative to embrace positive transformations. As urbanization, industrialization and formalization of jobs accelerate structural reforms in the economy, a favourable regulatory environment is anticipated to shape new realities for enterprises.

Banking on years of experience, TeamLease seeks to advocate distinct solutions that can efficiently support such endeavours. Our expertise in the human capital industry enables us to handle the complexities of a dynamic environment. It empowers us to address concerns and ensure flexibility of operations. Alongside, our digital capabilities are aiding efforts to adopt a new work order.

From recruiting candidates to opening up avenues for skill development and fulfilling compliance requirements, we are committed to be a responsible partner for nation building.

# A PARTNER TO NATION BUILDING

# CONTENTS

## Corporate Overview

About TeamLease  
P. 04

Our Business Model  
P. 06

Executive Vice  
Chairman's Letter  
P. 08

Managing Director's  
Message  
P. 10

Q & A with CFO  
P. 12

Megatrends in Indian  
Staffing Industry  
P. 14

Well-Placed in Emerging  
Megatrends  
P. 16

Responsible Value Chain  
P. 18

Our Business Verticals  
P. 22

Financial Highlights  
P. 29

Profile of Board of  
Directors  
P. 30

Executive Management Team  
P. 34

Corporate Information  
P. 35

Saluting Our Employees  
P. 36

## Statutory Reports

Notice to the AGM  
P. 37

Instructions to E-Voting  
P. 53

Board's Report  
P. 58

Corporate Governance  
Report  
P. 108

Business  
Responsibility Report  
P. 148

Management Discussion  
& Analysis (MDA) Report  
P. 158

### Safe Harbor

This Annual Report contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, the discussions of our business strategy, including the localization of our workforce and investments to reskill our employees and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources, wage increases in India, change in the Indian regulations governing wages. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the "MD&A" section in this Annual Report. In the light of these and other uncertainties, stakeholders should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information and estimates available to us on the date hereof, and we do not undertake any obligation to update these forward-looking statements unless required to do so by law.

## Financial Statements

Standalone  
Financial  
Statements  
P. 168

Consolidated  
Financial  
Statements  
P. 221



To see the report online  
please log on to  
[www.teamleasegroup.com](http://www.teamleasegroup.com)

# SUMMARY OF FY21

The year 2020-21 was challenging to say the least. While our overall results were marginally lower than previous years, our ability to sustain ourself in an uncertain pandemic environment illustrates the strength of our business model.

**4,88,145.67** LAKHS

Operating Revenue

**8,853.62** LAKHS

Profit before tax

**2.0%**

EBITDA margin

**2,28,150**

Associate count  
crossed

**1672**

Core employees

**3500+**

Clients

**352**

Staffing FTE  
headcount

**300%+**

Operating cash  
conversion to PBT

# ABOUT TEAMLEASE

As India's leading people supply chain company, TeamLease continues to formalize the employment needs of its clients and variabilize their costs in a dynamic environment.

Established in 2002, TeamLease is among the country's leading human resource providers in the organized sector, offering services and solutions for the entire value-chain in putting people back to work.





# Company Structure

**TeamLease  
Services  
Limited**

**Subsidiary Companies**

- TeamLease E-Hire Private Limited  
(Formerly Cassius Technologies Private Limited) (Consolidated)

100%  
Stake
- TeamLease Digital Private Limited  
(Consolidated)

  - Evolve Technologies & Services Private Limited (Consolidated)
  - Keystone Business Solutions Private Limited (Consolidated)

100%  
Stake
- TeamLease Education Foundation  
(Section 8 Company) (Consolidated)

  - TeamLease Skills University (Not Consolidated)

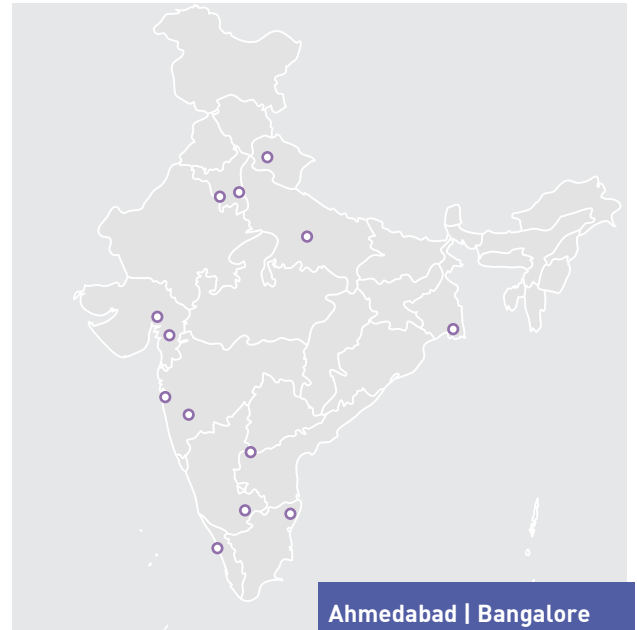
100%  
Stake
- IJIT Education Private Limited  
(Consolidated)

100%  
Stake
- I.M.S.I Staffing Private Limited  
(Consolidated)

100%  
Stake
- TeamLease Edtech Limited  
(Formerly SchoolGuru Eduserve Private Limited) (Consolidated)

78.43%  
Stake
- Avantis RegTech Private Limited (Consolidated)

60.17%  
Stake

















**Ahmedabad | Bangalore  
|Chennai |Delhi |Gurugram  
|Hyderabad |Kochi |Kolkata  
Lucknow |Mumbai |Pune  
|Vadodara |Dehradun**

Present in  
**7500+**  
Locations

in  
**13**  
Cities

across  
**28**  
states

## Sectoral expertise

 FMCG	 Logistics	 Infrastructure	 Telecom	 Retail	 e-Commerce	 Banking & Finance
 Agriculture	 Insurance	 Engineering	 Information Technology	 Electrical & Electronics	 Agro Chemicals	 Manufacturing

# OUR BUSINESS MODEL

As the aspirations of Indians continue to evolve, we choose to look towards the future with a more defined purpose. Our inherent strengths and changing industry landscape direct us to achieve our vision of putting India to work, while partnering the nation's mission to be self-reliant.

## Our vision:

Our philosophy and long-term goals are best reflected by our purpose of

## “Putting India to Work”

## Our Business focus areas:



Employment | Employability | E-Workforce



## Our drivers



Scale



Reach



Compliance



Clients



Team



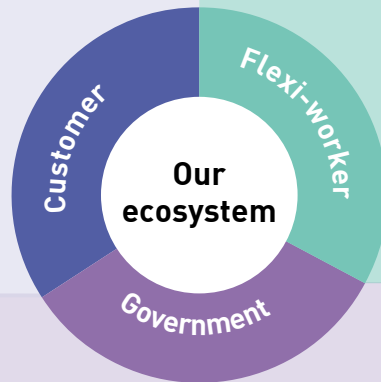
Productivity

- Workforce flexibility
- Compliance Efficiency
- Focus on core business
- Budget efficiency
- Niche skill hiring
- Ad hoc availability

- Appointment letter
- Standardized pay
- Statutory benefits
- Digital payments
- Skill improvement
- Annual increment

- Less unemployment
- Increased formal employment

- Improved compliance
- Revenue from GST
- Skill improvement



## Our offerings

### General Staffing

#### TeamLease Services Limited

1,59,955 Associates  
22,000 People recruited

### Specialised Staffing

#### TeamLease Digital Private Limited

##### IT Staffing

2,405 Associate Headcount

#### Evolve Technologies & Services Private Limited

##### Telecom Staffing

2,844 Associate Headcount

#### IMSI IT Infra

1,860 Associate Headcount

### National Employability Through Apprenticeship Programme (NETAP)

32,043 OnJob trainees  
26,287 Degree courses offered to OnJob trainees  
2,354 certificate offered to Onjob Trainees  
402 diploma courses offered to OnJob trainees

### Learning / Training

#### EdTech

1,72,000 online Students

#### OnSite (ELS)

10,534

#### OnCampus (TLSU Campus)

228

### Learning

A ecosystem that provides students holistic learning through classroom and online platform.

### DFM / HR Outsourced

#### Compliance Services

#### Payroll Outsourcing Digital

## Contribution to SDGs





# EXECUTIVE VICE CHAIRMAN'S LETTER



**A HIGH PER-CAPITA  
GDP ARISES FROM THE  
PRODUCTIVITY OF OUR CITIES,  
FIRMS, AND INDIVIDUALS AND  
ENSURES THAT RESOURCES  
ARE AVAILABLE TO HANDLE  
ADVERSITY.**

**Manish Mahendra Sabharwal**  
Executive Vice Chairman




## **Dear Shareholders,**

This time last year it was hard to imagine that 12 months later we would still be in a COVID world. COVID has been a civilizational cataclysm with big implications for politics, economics, trade, technology, and geopolitics. Thankfully, history teaches us those big disruptions create big opportunities by reducing resistance to change. COVID accelerates opportunities for TeamLease at four levels; Structural, India, Industry, and Company.

COVID has accelerated structural changes in the world of Work, Organizations, and Education. Modern work was done from a physical office, entailed living in the same city, and involved a full-time contract. COVID's mandatory randomized control trial around work challenges all three assumptions for organizations and will create more diversity. The disruption of education has been long coming; in a world where Google knows everything knowing is useless and learning how to learn is the key skill. Again, the mandatory randomized control trial forced by COVID has accelerated diversity in delivery, curriculum, and cost. This diversity bodes well for TeamLease.

COVID has been tough for India, but it reminds us that that GDP (where we rank 5th in the world) is not as important as per capita GDP (where we rank 142nd). A high per-capita GDP arises from the productivity of our cities, firms, and individuals and ensures that resources are available to handle adversity. COVID creates what





**On behalf of the Board of Directors of TeamLease, I would like to thank various Central and State Government Departments especially the Ministry of Labour, for the help and co-operation extended by them during the year.**

political scientist John Kingdon called a policy window; the problem, solution, and timing coming together. A more cynical framing is that democracies do not change for a better option; they change when they have no option. Whatever the motivation, big changes to the regulatory cholesterol holding back our economy are accelerating a structural transformation - more formalization, urbanization, industrialization, financialization, and skilling - that bodes well for TeamLease.

TeamLease operates in the human capital industry but offers services for hiring, productivity, and scaling. COVID moves the proposition of the staffing industry for corporate people supply chains of flexibility (peak load handling without making all employee costs fixed) and modularity (diverse employment contracts) from the backroom to the boardroom. Our learning solutions benefit from companies recognizing that skilling is not about CSR but ROI because work is about productivity. Our e-workforce solutions are still small but carry huge promise in a world where every company is a technology company. Structural changes in the 3E industries we target - Employment,

Employability, and E-workforce - bode well for TeamLease.

TeamLease completes twenty years as a company and five years being listed this year. This seemed like a good time for us to reflect on the past and prepare for the next twenty years. The best preparation is taking three things to the next orbit; our human capital (at the three levels of the board, leadership, and management), our strategy (ensuring that strategy reflects values, goals reflect addressable markets, and investments reflect goals), and our execution (ensuring that our performance equals or exceeds our goals via structures, skills, and teamwork).

TeamLease continued to target three goals of growth, margin expansion, and capital efficiency during the last financial years. Despite a difficult first quarter due to the national COVID lockdown, we closed the year with revenue of ₹ 4,916 crores. Our EBITDA (before exceptional/non-business expense) of ₹ 97.4 crores grew YoY by 5%. Our free cash flow was ₹ 250 crores and we enter the year with a substantial cash cushion for our proposed investments in acquisitions, technology, and human capital.

Shortly our Lead Independent Director, Narayan Ramachandran will take over as Non-Executive Chairman. He has been on our Board since 2015 and shares our framing of success (being the compounding of Luck, Skill, and Choices over decades), TeamLease (being a company and a cause by Putting India to Work), and India (what's happening now is not once in a decade or once in a millennium but once in the lifetime of a country). This transition to a Non-Executive Chairman combines with a substantial Board expansion to become important preparation for the next twenty years.

On behalf of the Board of Directors of TeamLease, I would like to thank various Central and State Government Departments especially the Ministry of Labour, for the help and co-operation extended by them during the year. I also express my gratitude to all employees of TeamLease and the Management team for their hard work. I would also like to thank the investors and shareholders for your continued trust confidence and support.

Poet Ramdhari Singh Dinkar said Kshma Shobti us Bhujaang Ko, Jis ke paas garal ho; only the strong can be benevolent, kind, and generous. COVID reminds every organization and every human that we must be Strong and Kind. We believe TeamLease is both, but we commit to getting better at both in the coming decades.

Wish us Luck!

**Manish Mahendra Sabharwal**  
Executive Vice Chairman



# MANAGING DIRECTOR'S MESSAGE



TEAMLEASE HAS A  
CONSISTENT FOCUS ON THE  
CORE GOALS OF GROWTH,  
MARGIN EXPANSION, CAPITAL  
EFFICIENCY AND EXPANDING  
OUR ADDRESSABLE MARKET.

**Ashok Reddy**  
Managing Director





## Dear Shareholders,

2020 has been the most challenging year in recent memory. The pain does not seem to be over; the shadow of Covid-19 still looms large after two waves and the cascading impact of the pandemic has had an asymmetric impact on different industries and the reduction in the headcount and open position demands from customers reflected in our Q1 FY21 results.

Through hard work, calibrated decision making and some luck, we rebounded in the second half of the fiscal year to recover the losses of the first half in most of our businesses. All our businesses have surpassed pre-COVID-19 levels with strong headcount growth in the third and fourth quarters. The upsides of the pandemic – if we can call them that in a year of great human tragedy – has been digitization super cycle and people supply chain reconfiguration for Corporate India that targets resilience and productivity. This has expanded our addressable market and we are investing to ensure we are worthy of these opportunities.

A heartfelt appreciation and gratitude goes to our hard working employees, some of whom have been affected by Covid-19 and recovered, and those who are still in the recovering stage. We pray for their quick recovery. Everybody made relentless contributions during this difficult period.

The Indian economy was majorly impacted by the Covid-19 outburst in March 2020, with the Real GDP shrinking by 7.3% during FY2020-21. This was a stark decline when compared to a 4.0% growth in FY2019-20. Even in 2021, the

second wave of Covid-19 continues to cause disruption in our lives, even as I write this letter to you. However, today India has made substantial progress with the learnings of 2020 regarding social distancing, remote work, and accelerated vaccination campaign. This has boosted the recovery of employment and hiring prospects. This bounce back in the employment landscape sentiment is something that TeamLease aims to capitalize on by providing services around our core offerings for hiring, productivity and scale.

TeamLease has a consistent focus on the core goals of growth, margin expansion, capital efficiency and expanding our addressable market. The staffing sector has a high correlation with the economic cycles and subsequently faced unforeseen consequences once the economy was negatively affected by the pandemic. For TeamLease, this presented difficulties in the Q1 of FY2020-21 on account of the nationwide lockdown, with overall revenue for the year at ₹ 4,916 crores, as compared to ₹ 5,232 crore in the previous year. The pandemic also presented us with an opportunity to strengthen our digitalization strategy, helping accelerate our client partnerships. This helped improve our EBITDA and PBT, both in absolute and percentage terms over the year. This was also not restricted to a particular segment but across all businesses. Our EBITDA (before exceptional/non-business expense) of ₹ 97.4 crores grew YoY by 5%. The company's free cash flow reached ₹ 250 crores, while Our PBT

stood at ₹ 88.5 crores which showed growth of over 7%. Our healthy cash flows give us a powerful opening balance for the new fiscal year and we will focus our investments on inorganic growth, technology, and human capital.

Your Company's work will continue towards generating business growth, profitability, and productivity. We believe that once the events of FY2020-21 become a thing of the past, there are many opportunities to capitalise on. The regulatory reforms and continuous push towards formalization bodes well for your company and a new chapter of growth.

As we head into the new fiscal year, we recommit to our mission of Putting India to Work. I take immense pride in the strength, resilience and conviction of our employees during these uncertain and unmodellable circumstances. I am forever grateful to them for standing by the company with perseverance. I would also like to thank our investors and shareholders for your continued trust in TeamLease. As we make progress on our journey, we are excited about the future and remain committed to do everything we can to consistently create value for all our stakeholders.

Regards,

**Ashok Reddy**  
Managing Director

# Q & A WITH CFO



**ADMISSION AND ACADEMIC SESSIONS BEING BASIS OF ACADEMIC CALENDAR FORMS AN IMPORTANT FACTOR OF REVENUES THAT ARE DRIVEN BY ELEMENT OF SEASONALITY.**

**Ramani Dathi**  
Chief Financial Officer



**Q**

**We witnessed better cash flow conversions this year. Could you please ascribe the reasons for same and how you plan to allocate the capital generated over the last year?**

**A**

During the previous year, the Company received tax refunds for previous assessment years. Overall, at group level it was close to ₹ 250 crore. The prudent capital allocation remains a strong fundamental of our long-term sustainable growth. Utilising the capital for organic and inorganic growth has formed part of our long-term growth strategy, that is aptly spread across sales, marketing, talent and technology for achieving sustainable business growth.

**Q**

**Could you throw some light on PF issue and resolution?**

**A**

Provident Fund Trust has made investments of ₹ 173.74 crore in two non-banking financial companies ('NBFCs') which have maturities between FY 2021 to FY 2027, that are currently undergoing financial stress / bankruptcy proceedings.

The total assets under the PF Trust as at March 31, 2021, amounts to ₹ 1,443 crores. There is an unrealised gain of ₹ 97 crores on account of certain investment and the net surplus is ₹ 25 crores as at March 31, 2021.

We believe that the current reserves of the Trust and unrealised gains will be sufficient to absorb any potential shortfall in Trust accounts in the short term. Given that close to 50% of the trust dues are in inactive accounts, we believe that the Trust would not be faced with any liquidity crunch for discharging its obligations to its members and as such we concluded that no provision is required in the books of TeamLease towards PF trust cashflows. Also, as per the media reports and various interpretation recoverability of DHFL stands at 40% and IL&FS at 60%, so we believe there is adequate protection of stakeholder interest in the near short-term.





**How do you address the volatility across other HR services?**



Other HR revenue is largely driven by learning and compliance business, wherein compliance revenue is free from any business seasonality, while EdTech business has some level of seasonality in terms of drawing revenue. The academic semester and year for the higher education institutes is determined by the UGC. Admission and academic sessions being basis of academic calendar forms an important factor of revenues that are driven by element of seasonality. On the Enterprise Learning front, the revenues are lower at the beginning of the financial year as compared to other quarters. This is because organizations finalize their learning and development budgets and then plan their annual trainings expenditure during latter part of the year.



**Despite drop in revenues due to reduced demand on hiring, we did see margins being sustained. What were the steps taken to sustain profitability?**



We undertook certain strategic measures that helped us sustain profitability. At the outset, we took prudent cost optimisation efforts that included reduced exposure towards rental costs. Increasing adoption of digital tools across operations helped improve engagement levels and reduce non-operating expenditures. A holistic and integrated approach towards better operations management thereby improved the working capital and overall cost of funds for the year under review.

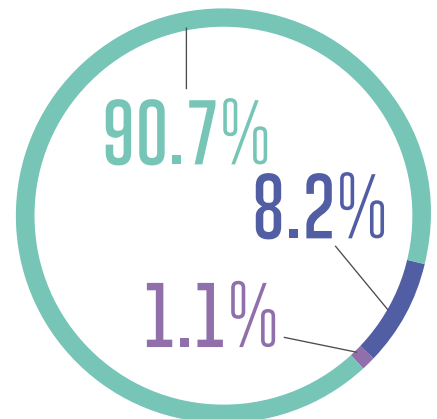


**New labour reforms and ongoing pandemic point towards an increasing need for formal staffing industry. How comfortably are we placed in terms of liquidity to capitalize on emerging opportunities?**



TeamLease is well placed to capitalise the transformative shift in the minds of employers towards evolving a more flexible employment mix both in traditional as well as emerging sectors. Our internal structural change in the organisation backed by our deep digital capabilities helped align our business with new reforms in place. Our domain specific hiring channel mix, on-ground understanding of the evolving regulatory ecosystem with the hire to exit employee life cycle within our ecosystem makes us a staff augmentation partner of choice.

**Revenue snapshot**



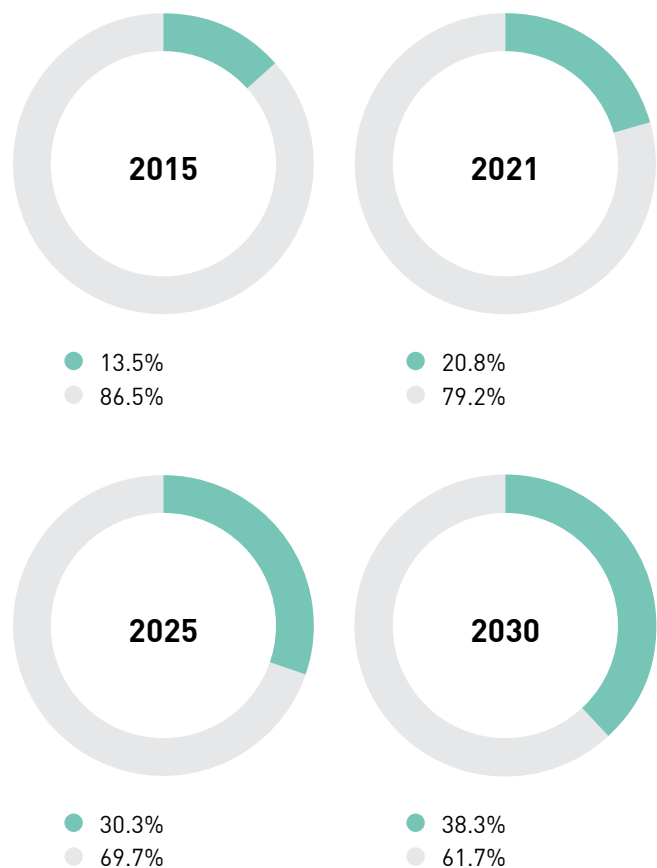
- General Staffing
- Specialised Staffing
- HR Services

# MEGATRENDS IN INDIAN STAFFING INDUSTRY

The Covid-19 crisis has only accelerated the world of work, driving the push towards a more flexible human supply chain ecosystem. At TeamLease, we are at the heart of providing customized solutions to our clients' workforce and empowering India's youth with a steady employment opportunity.

## Formal workforce to double in next 10 years

### India Workforce



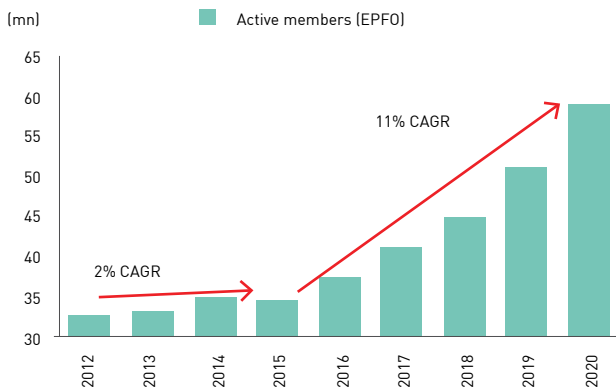
● Formal ● Informal

Source: India Staffing Federation, Goldman Sachs Global investment Research

## Structural reforms to accelerate formalization

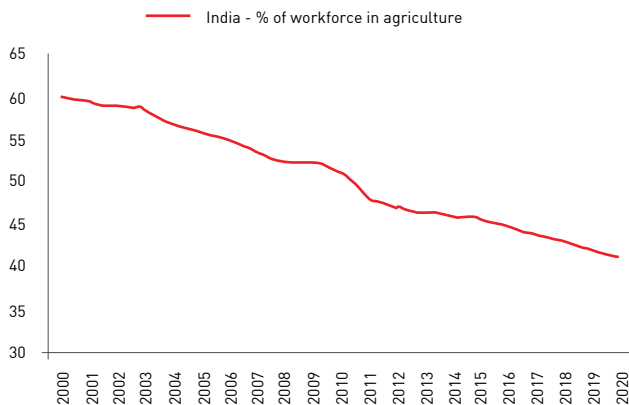
Multiple reforms introduced by the government in the last five years have only pushed the need for having a formalized workforce. Introduction of regulations and initiatives like EPF, ESIC, GST, Skill India, demonetization, Pradhan Mantri Rojgar Protsahan Yojana (PMRPY), Pradhan Mantri Kaushal Vikas Yojna (PMKVY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana, maternity benefit, fixed term contract and the recently introduced labour reforms have further augmented the need for formal employment, accelerating the demand for flexi-staffing.

### Government initiatives in past 5 years helped drive 11% CAGR in formal employment



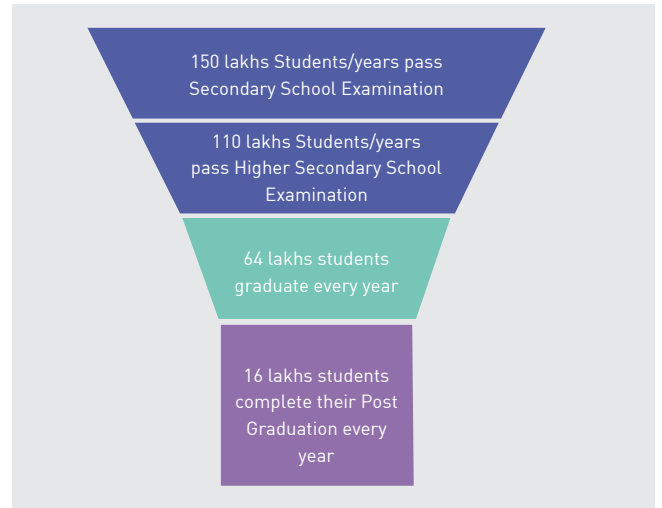
## Declining workforce in agriculture

Declining trend of share of labour in agriculture has today led to 42% of the workforce over 60% in 2000



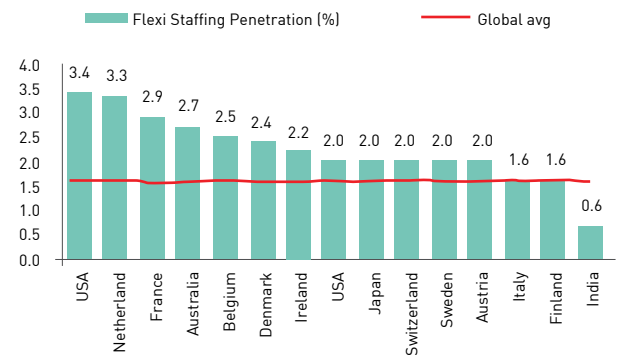
## Increasing pool of formal workforce

Each year 110 lakhs students graduate from high school to formally enter the workforce



## Flexi-staffing at cusp of growth

India's flexi-staffing penetration continues to remain lower than advanced and developing economies. However, our progressive reforms and favourable regulations position India as capable of creating a larger workforce within the ambit of formalized and flexi staffing.



## Demand of on-demand workforce

Sectors such as BFSI, retail, logistics and e-commerce have driven demand for job profiles including customer services, front-end sales representatives, and warehousing supply chain workers. Growth in e-commerce is not only fuelling demand for customer services, but also for logistics. Similarly, financialization is leading to increased demand from the BFSI sector. Furthermore, focus on costs, due to pressures planted by e-commerce, is leading to offline retail companies looking at on-demand employees rather than permanent hires.

# WELL-PLACED IN EMERGING MEGATRENDS

## Formal staffing

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Only 12% of India's workforce was formalized as of FY2020, which is expected to increase to 20% by FY2025. Our spectrum of offerings primarily consists of general staffing with complete management of the employee life cycle. The onset of Covid-19 has further pushed the boundaries of formalization in the sector. Our teams worked tirelessly during these tough times to address the increasing needs of general staffing within a formal and legal framework, accelerating our market presence.

## Technology

---

Over the years, our ambitious investments in upgrading our technology and digital capabilities prepared us to withstand the challenges of a post pandemic world. As hiring in physical mode became minimal, clients as well as employees adopted digital modes. While clients had an enhanced data pool of employees to choose from, the talent also had wider access to a variety of organizations for their career growth. Our platform, Teamlease.com, is a one-stop solution for our clients, enabling them to announce their open positions, conduct candidate matching, face-to-face interviews, peer interviews, assessments, etc. The entire onboarding to initial induction is completely digitalized by our platform, bringing down our cost of hiring and improving our yields.

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**5%**

Market share in General Staffing as on March 31, 2021

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**59%**

Increase in our website Teamlease.com

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**55%**

Hirings during FY2021 through digital mode

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## Building expertise

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Our expertise for nearly two decades has helped provide purposeful employment to millions of people. We strategically evolved our value-chain to include employability and e-workforce within our scope. With the changing landscape of industries and sectors, however, we realize today that the growing employment demand would be focused around the key industries that will shape the future. As a strategic step, we have introduced leadership and domain expertise within these industries to address client requirements with ease and aplomb.

As experts, we believe that our industry-specific service will improve everybody's odds to becoming part of the work ecosystem.

## Business restructuring

---

During the year, Covid-19 led to a global economic slowdown along with a prolonged health crisis that has been unprecedented in recent memory. It was imperative for us, as an organization, to significantly strengthen our cash management and capital allocation. As a responsibility towards our stakeholders, we took tough, yet decisive steps during the year under review. One, we shut down our permanent recruitment business, with the second wave of infections further dampening the hiring spirit among clients.

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# 20+

Years of experience

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# RESPONSIBLE VALUE CHAIN

At TeamLease, responsible value creation forms the foundation of our core business strategy. The elements of responsibility are deep rooted in our ethos, forming an integral part of our operations across the value chain.

India is the only country with a population of 100+ million people with 20 years of work-life ahead of them. With an abundance of capital, land and labour supporting its ecosystem, the next couple of years position India among a select few economies capable of growing at a double-digit growth rate. At TeamLease, our growth story is intertwined with our nation’s economic

growth, where we hold an increasingly important role in driving the human supply chain. Today, the workforce holds a more important function in a business model than capital.

At TeamLease, our business model is built with the purpose of putting India to work. With profit margins in single digits, our commitment to reduce

the imbalances in India’s workforce, provide employment to a larger section of people and facilitate our clients with the right talent—drives us to move ahead, every day.

## Responsible Management of Social, Economic and Environmental Impact



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# ₹ 10,794 LAKHS

Core costs

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# ₹ 175.32 LAKHS

CSR

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# ₹ 690 LAKHS

Finance costs

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## Ethical conduct of business

The Code of Business Ethics defines our approach to conducting business. A fair, transparent and corruption-free code encapsulates the work culture at TeamLease. Every employee is made aware of the code during their orientation as well as at regular intervals.

## List of Corporate Policies

Policy/Code	Weblink
TeamLease Dividend Distribution Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Familiarization Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Nomination and Remuneration Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Code of Conduct and Business Ethics	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Learning and Development Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Corporate Social Responsibility Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy on Related Party Transactions	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy for determining Material Subsidiaries	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Whistle Blower and Vigil Mechanism Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Preservation of Documents and Archival Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Prevention of Sexual Harassment Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Code of Conduct for Prevention of Insider Trading	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Anti-Bribery and Corruption Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Risk Management Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy on Board Diversity	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Performance Evaluation of Directors Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy on Determination of Legitimate Purposes for sharing of UPSI	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy on Inquiry Procedure in case of UPSI Leak	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy on Determination of Materiality of Event	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Business Responsibility Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Code of Ethics for Directors	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Audit Committee Charter	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Policy on Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease Human Rights Policy	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>
TeamLease SRC Terms of Reference	<a href="https://www.teamleasegroup.com/policy documents">https://www.teamleasegroup.com/policy documents</a>

## List of certifications

ISO/IEC 27001:2013 – Information Security Management System

## Committees overseeing value-creation

- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Audit Committee

## RESPONSIBLE VALUE CHAIN

### Empowering diversity and inclusion

At TeamLease, we strongly believe that a diverse workforce is more productive and delivers better results. Our team works to eliminate individual biases and focus on long-term business goals. We have a healthy representation of females in our workforce along with the presence of women in our management team.

Even across our associates, we continue to provide equitable opportunities to everyone, guided by their skills, potential and expertise, and not by their gender. Adequate training, engagement and support are also provided to drive forward our inclusive approach.

# 20%

Female associates

### Initiatives for People Empowerment

#### Ethics, transparency and accountability:

At TeamLease, we have built and continue to foster an open culture of mutual respect and trust in a collaborative environment where colleagues can seek help or advice, and speak up. Anyone raising concerns in good faith is making the right decision: we will listen and take any issues seriously. The concerns raised go according to our company's principles of ethics, transparency and accountability.

#### a. Ethics:

In consonance with the Regulation 17 of SEBI LODR Regulations, 2015, we have adopted a "TeamLease Code of Conduct and Business Ethics", which mandates the Directors, Senior Management and Employees of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner.

#### b. Transparency:

A Vigil Mechanism Policy is employed, which serves as a tool to report on any genuine concerns related to unethical behaviour, actual or suspected without fear of reprisal. This provides an avenue to stakeholders to raise any concerns or violations to the company.

#### c. Accountability:

We have in place an Internal Code of Conduct to monitor, regulate and report on trades by designated person. This code has a three-fold objective of monitoring trades of designated employees, obligating employees to handle price sensitive information and mandating employees to restrict unauthorized access to any individual information.

#### Employee Well-being

At TeamLease, we want to make the future work for everyone. With the impact of Covid-19, our focus on employability and access to work,

diversity and inclusion, and social protection for all has never been more important. Being a larger employer company, we have a responsibility and a tremendous opportunity in shaping a positive tomorrow—for our business, stakeholders as well as tomorrow's generations. Throughout the crisis, our principle has been to put people first, by focusing on securing the well-being and safety of our associates, and finding work for those whose livelihoods have been impacted by the crisis.

#### Stakeholder Engagement

To live up to our purpose and public commitments, we seek to address the work-related needs of all our stakeholders. Our stakeholder groups include clients, employees, authorities, shareholders, civil society and sector organizations. We respect their interests and also tend to focus on the disadvantaged, vulnerable and marginalized stakeholders.

#### Human Rights

The pandemic has starkly exposed the vulnerability of workers in a crisis. We believe that our services bring many positive benefits, particularly in areas of employability and access to work. It is in our interest to ensure that TeamLease is not complicit in any human rights violations, and we are committed to making this fundamental to how we operate. We believe that respecting human rights brings purpose and value to life, and one of the most fundamental contributions organizations can make towards achieving the United Nations Sustainable Development Goals (SDGs).

### Inclusive Growth

Our diversity and inclusion policy as well as our human rights policy underline TeamLease's commitment to foster inclusive growth. As a staffing company, we focus on responsible business practices with community centric interventions. Our thrust areas are sustainable livelihoods, especially skill development, employment training and education, which all constitute the Human Development Index, a quality of life indicator.

The company's core objective is to provide employment and create an e-workforce through skill development and training. This will help eradicate poverty, promote education and talent enhancing vocational skills.

### Social development

We invest in sustainable activities based on community programmes. We undertake projects that are sustainable and can make an impact in the lives of people for a better tomorrow.

### Initiatives and programs

We, at TeamLease, aim to make positive contributions to the community by focusing on our social responsibility of bringing improvements to the lives of people in and around our operations. The guiding principle of our CSR programme is "Impact through Empowerment". Empowerment enables people to lead a better life. Therefore, we focus on bringing improvement in areas of education and skill development.

## ₹ 253.86 LAKHS

Spent towards CSR initiatives  
(including previous year unspent)

Through our community initiatives to address education, we have implemented the following projects:

a.

Transformed CBSE's board exams towards competency-based assessment systems

b.

Provided Lenovo V350 desktops to students in Gujarat and Madhya Pradesh

c.

Arranged Industrial FDM 3D printers for educational facilities in Gujarat and Madhya Pradesh

# OUR BUSINESS VERTICALS

## Freshersworld.com



Scan To visit  
website

Freshersworld.com is a leading job portal that provides efficient solutions for entry level hiring in India. This solution from TeamLease comes as a complete package, right from recruitment to branding. Hiring teams can utilize our powerful recruiter dashboard, which has instant access to more than three hundred lakhs profiles with 70% unique data compared to all other major job portals. Another major offering on the portal is the range of placement opportunities for fresh graduates through campus as well as off-campus hiring across India.

For assessing the employability quotient, proficiency in aptitude and other technical aspect of a candidate, we have also built an online and offline assessment engine. Our reliable and secured online assessment test platforms are prepared with questions by our panel of experts. Simplicity and ease-of-use is the principle driving the design of our website and mobile application, which have multiple options like sorting according to colleges, branch, year of passing and percentage, as well as hyper-local candidate search by job role.

For our employer base, we also undertake brand awareness and visibility programmes by providing

them with information about placement season and college activities, connecting them with a wide spectrum of campuses across India and augmenting the brand value of their products and services in campuses.

### Our recruitment procedure

- Result declaration & feedback sharing
- Coordination & execution of the drive
- Assessment & Result tabulation
- Short-listing & scheduling through call letters & SMS
- Consultation with Freshersworld recruitment advisors
- Job posting & creation of Micro-site on Freshersworld
- Identification of suitable venue with necessary infrastructure

## 5 LAKHS+

Resumes added every month

## 6 LAKHS+

Unique visitors every day

## 27.5 LAKHS+

Social followers

## 16,000+

Campuses associated with us across the country

## AMONG TOP 350

Websites in India

## 175 LAKHS

Visitors per month

## 10 LAKHS+

App downloads

Organized recruitment drives for

## 2,000+ COMPANIES



## Teamlease.com



Scan To visit  
website

TeamLease.com is a unique and powerful hiring portal with end-to-end, fully automated tools. It is fundamentally a job portal for hiring entry level talent and blue collar for bridging candidates and corporates. We offer our services in different languages, including Kannada, Hindi, Gujarati, Telugu, Tamil, Malayalam, Bangla and Marathi, with jobs for entry level placements as well as tier-II and III locations.

The gig economy has shown tremendous growth with a rising demand for flexibility working, which we aim to cater to with tailor-made solutions on a user-friendly interface providing seamless experience to users. Our established pan India presence includes tier-I, II and III cities and towns, enabling candidates and organizations to find the right fit for any location and role. We offer one platform to employers for undertaking the entire recruitment process right from shortlisting to on-boarding. Through our portal, candidates can directly apply for jobs or post their CVs, while clients can shortlist the candidates right away. Through the same platform, employers can also take assessment tests of shortlisted candidates. For assessment tests, we offer question banks for generic profiles like sales

and support staff along with creating customized assessment criteria for our customers. Organizations can also proceed with their offer letter rollout on the same platform, along with on boarding of the candidate.

### 50 LAKHS

Active job seeker profiles

### 75,000+

Candidates register monthly

### 22 LAKHS+

Monthly page views

### 11 LAKHS+

Unique page views

## FIRST MULTI-LINGUAL JOB PORTAL

Enabling non-English speaking candidates with employment opportunities



## OUR BUSINESS VERTICALS

### NETAP



Scan To visit  
website

In 2007, TeamLease began to make a case that the Apprentices Act of 1961 was dated, ineffective and unfair because it viewed an apprenticeship as a job rather than a classroom for learning new skills. In India, less than 20,000 employers offer apprenticeships (in UK the number is 2 lac) and we have 3 lac apprentices in the country (the number would have been 15 million if we had the same proportion of labour as Germany). This continues to broaden the gaps in opportunities for learning-while-earning, despite this being the future of education. In 1975, Indira Gandhi's 20 point program also stressed on the need to reform the Apprentices Act.

TeamLease Skills University launched NETAP (National Employability Through Apprenticeship Program) seven years ago and has since enrolled over 2,65,000 apprentices with over 700 employers in 40 sectors and 150 job roles. Over the last 7 years, it has emerged as the largest degree linked apprenticeship program operating as per the New Education Policy 2020, with provisions for certificate, diploma, advanced diploma and degree courses in partnership with various universities. It provides multi modal learning platforms (on the job, on line, on site and on campus) and is governed by regulatory frameworks such as the Apprentices Act & NEEM. 95% of the apprentices are enrolled in formal employment with a 45% wage premium.

The program recently launched a web portal for matching employers and apprenticeship seekers, [www.apprentices.in](http://www.apprentices.in), and works closely with India Apprenticeship Forum, a non-profit forum that plays an active role to foster apprenticeships in the country.

NETAP has a clear value proposition for all its stakeholders – employers, youth and the government. It ensures return on investment for employers through lower attrition, higher productivity, and faster hiring and helps to improve the professional capacities of the youth with practical trainings. Besides, more than 97% of the cost incurred by TeamLease Skills University is met by employers, thereby reducing the financial burden on the government.

The COVID-19 pandemic has opened a window of opportunity for the development of apprenticeship programs. The differential outcomes for skilled and unskilled workers during the lockdown have exposed the urgency of introducing flexible, low cost, demand-driven skill development initiatives that can improve the scope of employment across sectors. It will not only help to provide skilled labour for various operations but, will also lead the way for financial independence for a large majority of people lacking necessary skills to engage in rewarding jobs.



### Did you know?

In countries like Singapore, France, Germany and Sweden, 8-10% of the working population is engaged in apprenticeships. On the contrary, due to the lack of vocational training and apprenticeship models, it is almost zero (0.001%) in India.

## Avantis RegTech



Scan To visit  
website

Avantis is now India's leading RegTech Company in the B2B domain, offering a state-of-the-art multitenant SaaS solution on its web and mobile platforms, enabling transparent, accountable and efficient compliance management solutions. Today, the Avantis platform is integrated with over 1,500 legal acts and more than 69,000 compliances to emerge as among India's best compliance databases.

We have been investing heavily on developing "automation engines" to facilitate generation of compliance documents automatically from our products. We have launched the following products during FY2021:

- Labour Compliance Automation Product: Generates over 70% of the total labour compliance in India covering returns, register and challans under Central and state laws
- Board & Secretarial Compliance Automation Product: Supports Company Secretaries in managing all their meetings virtually (integrated with several virtual meeting platforms) and facilitates generation of compliance documents in terms of e-Forms, statutory registers and other compliance documents.

These products have been launched for corporates (in DIY mode) as well as for service providers (in DFM mode).

Additionally, we have been working with "Invest India, World Bank and Government of Punjab" on leveraging our proprietary database for various e-workforce initiatives.

### Highlights

During FY2021, Avantis has grown both in terms of revenue (next jump by 47%) and monthly recurring revenue (next jump by 90%). The 'revenue per customer' has been constantly increasing and during FY2021, we have bagged projects from several large listed groups like Sterlite Power, Adani Airports, Sony Pictures, Edelweiss General Insurance, RPG Group, and many more.

# 92%

Increase in SaaS fees YoY in 2021

# 175

Live customers as on March 31, 2021

# 90:10 TO 75:25

SAAS to perpetual proportion

### Road ahead

- Collaborations with Central and state governments for partnership on "E-workforce" initiatives. Discussions initiated with state governments of Maharashtra, Karnataka and Tamil Nadu
- Work with the respective ministries and obtain approval for Straight-through Filings (API enabled filings) for PF, ESI and MCA
- Enhanced investments in digital marketing and brand building to drive revenue growth

### Did you know?

- We supported the State Government of Punjab on EODB framework on 4 vectors—Simplification, Rationalization, Decriminalization & Digitalization
- We supported World Bank / IFC in "Study of Regulatory Stock & Compliance Burden" for 6 states and 5 sectors and conducted a joint survey on the same
- Worked for Invest India in collating the list of "Registrations, License and Permissions" for 5 states and 5 sectors
- Pioneered the concept of "Corporate Compliance Digital Interface Providers" and made an application to MCA to facilitate "API enabled Filings"

## OUR BUSINESS VERTICALS

### Avantis RegTech



Scan To visit  
website

Our major focus is the employability factor, which is crucial to our principle of “Putting India Back to Work”. We have observed that in the case of young job aspirants, only 5% are hired. We aim to remedy this issue through our TeamLease Edtech platform, which adheres to the philosophy of “Making India Employable”.

TeamLease Edtech (TL Edtech) is India’s leading learning solutions company; in its quest of ‘Making India Employable’, TL Edtech works with leading Universities and Corporates across the country: It helps universities launch, run and manage their own online programmes, helps institutes improve employability of their students through our apprenticeship linked skilling programmes and helps corporates upskill and reskill their workforce to improve productivity and build a talent supply chain.

TL EdTech provides a modular multi-modal classroom model of learning—Online, Onsite, On-Job and On-Campus—to provide a seamless learning experience to all learners. TL Edtech has exclusive partnerships with 40 of India’s largest universities across 16 states, training 3.5 lakh students through nine Indian languages. It works with 500 corporates in their upskilling/

skilling initiatives and manages over 200 degree, diploma, certificate programmes.

TL Edtech also partners with NETAP and our staffing businesses to offer credit and degree linked blended learning outcomes across 400 employers. The company’s platforms include Lurningo (adaptable LMS) for universities, Lurningo for Teams (for corporate clients), WorkX (apprenticeship linked programmes), Optara (virtual employment exchange), and Qurio (AI-enabled remote proctored online assessments).

TL Edtech is at the intersection of education and employability, with its core focus on repairing, preparing and upgrading skills.

TL Edtech currently has about 200 employees. The pandemic has fast tracked the adoption of technology in education and has brought in a sense of urgency among corporates to retrain and upskill their employees to build a competitive edge for themselves. TL Edtech’s product and service lines are apt to make the most of this opportunity.

### Learning Landscape

---

# 973

Universities

---

# 50,000

Colleges

---

# 400 LAKHS

Traditional learners and

---

# 200 LAKHS

Employed learners

---

## Digital Workforce Management



**'WE HAVE METICULOUSLY DEVELOPED A PLATFORM TO SOLVE THE MOST CRITICAL CHALLENGES IN HUMAN RESOURCE AND WORKFORCE MANAGEMENT IN AN ABSOLUTE ALIGNMENT WITH THE GLOBAL STRATEGIC TRENDS IN THE DOMAIN.'**

**Ramani Dathi**

Chief Financial Officer

With the wave of digital transformation across the world, everything has changed, and it's going to keep changing. DWS is an integrated platform that helps teams to adapt, evolve, and scale by working more effectively. With deep research on the most prevalent challenges in workforce management, we designed a system that ensures that people finish core operations faster and focus more on strategy. With effective and intelligent insights, they can turn data into smarter decisions and create experiences that employees will love.

Ranging from general and tactical solutions like Time & Attendance Management and Expense Management to hyper-specialized ones like Sales & Field Force Management and Lead & Order Management, DWS has a wide set of offerings that can be precisely tailored to match the exact business problems.

**1,500+**

satisfied customers

**5,00,000+**

downloads on Play Store

**2,20,000+**

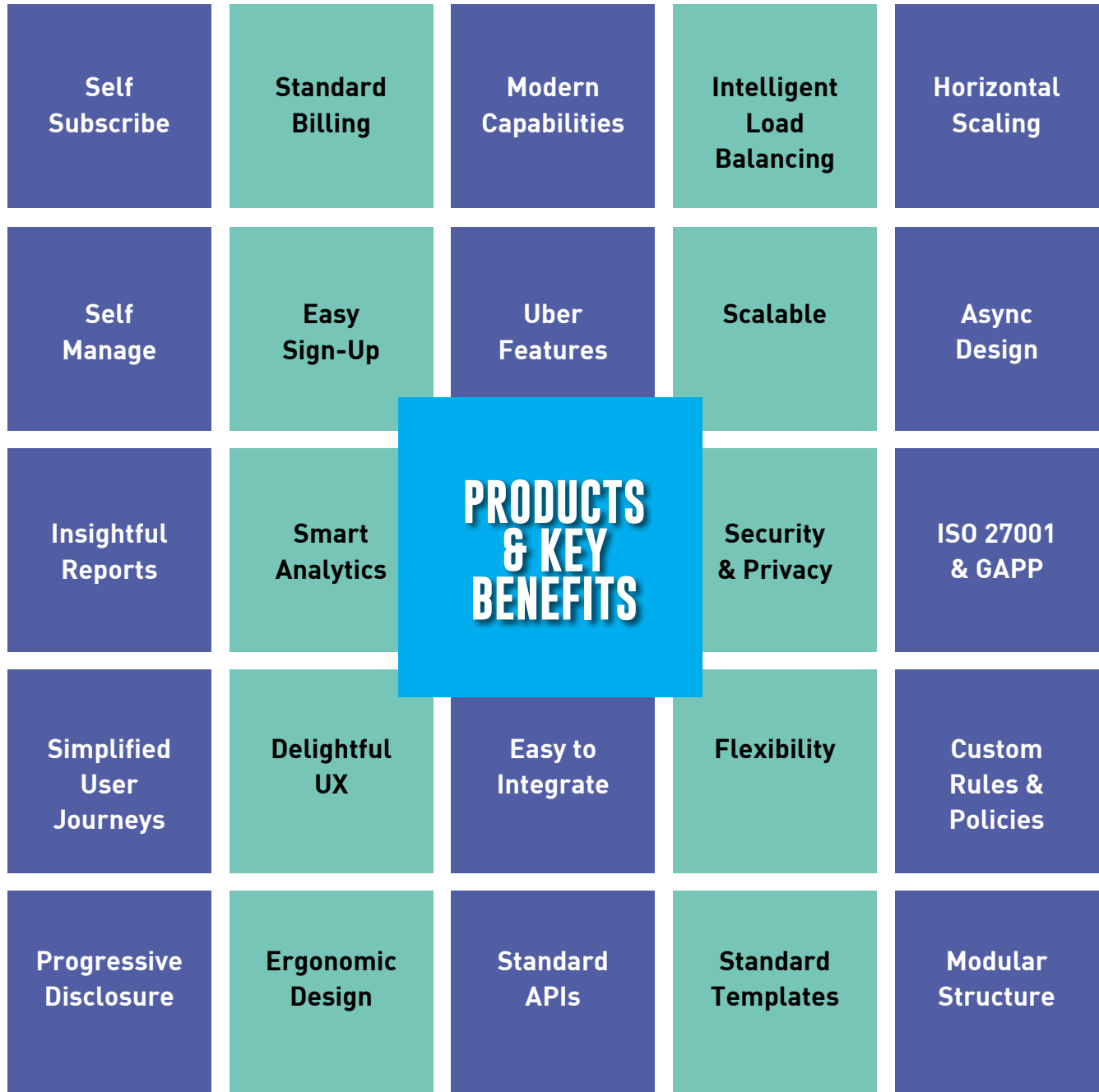
active users

**18,00,000+**

Average monthly transactions



# DWS OFFERINGS



Time & Attendance Management



Expense Management



Performance Management



Learning Management



Onboarding & Exit Management



Lead & Order Management



Sales & Field Force Management



Asset Management

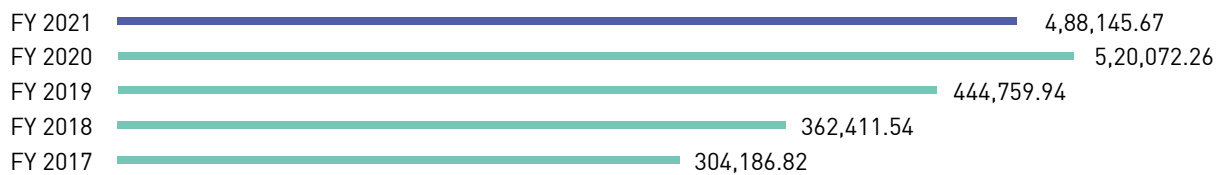


# FINANCIAL HIGHLIGHTS

## Revenue

(₹ in lakhs)

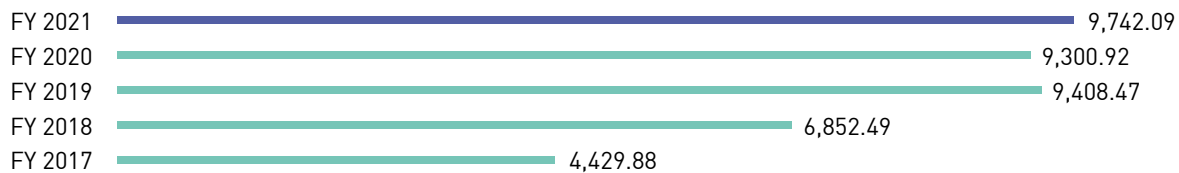
12.6% 4-Year CAGR



## EBITDA

(₹ in lakhs)

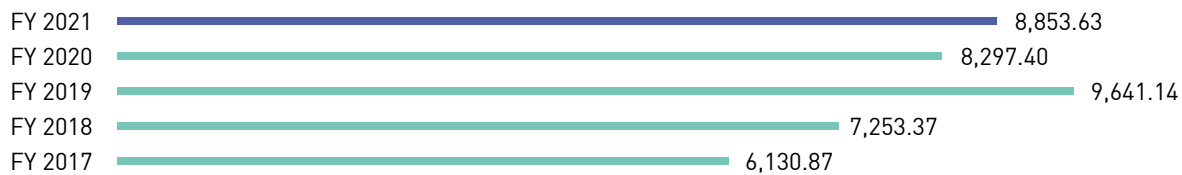
21.8% 4-Year CAGR



## PBT

(₹ in lakhs)

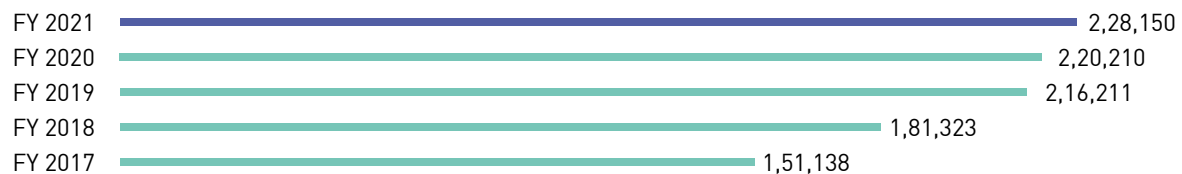
9.6% 4-Year CAGR



## Headcount

(in number)

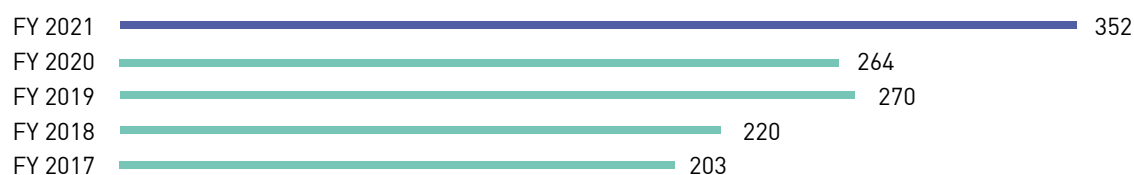
10.8% 4-Year CAGR



## Fixed Term Employment

(in number)

14.70% 4-Year CAGR



# PROFILE OF BOARD OF DIRECTORS



Designation	Lead Independent Director & Non-Executive Chairman
Nationality	Indian
Age	59
Date of appointment in current term	08-07-2020
Current Term servicing on Board	2nd

Direct Shareholding	2,500
Board Memberships – in Indian Listed Companies	TeamLease Services Limited-Independent Director
Committee details as per Regulation 26 of Listing Regulations	
Membership	1
Chairmanship	-

## Mr. Narayan Ramachandran

Mr. Narayan Ramachandran has been an Independent Director of TeamLease since July 09, 2015 and assumed the role of Lead Independent Director in 2020. He holds an MBA from the University of Michigan, Ann Arbor, B. Tech from IIT, Mumbai and is a Certified Financial Analyst. He has over 34 years of experience in the areas of finance and institution building across geographies. He was part of the founding team at RBL Bank and served as its Chairman. He has led the Global Emerging Markets division of Morgan Stanley in New York and Singapore. He was also the CEO and Country Head of Morgan Stanley in India. He has played an instrumental role in establishing several new businesses in the commercial and social enterprise sector. Mr. Ramachandran's role has been transitioned to Non-Executive Chairman of the Company with effect from July 28, 2021.



Designation	Executive Vice Chairman
Nationality	Indian
Age	51
Date of appointment in current term	01-09-2020
Current Term servicing on Board	Till March 31, 2022
Direct Shareholding	-

Board Memberships – in Indian Listed Companies	TeamLease Services Limited-Executive Director Pennar Industries Limited – Independent Director
Committee details as per Regulation 26 of Listing Regulations	
Membership	-
Chairmanship	-

## Mr. Manish Mahendra Sabharwal

Mr. Manish Mahendra Sabharwal is the Executive Vice Chairman of TeamLease. Prior to co-founding the Company, he had co-founded India Life, a payroll and pension services company in 1996 that was acquired by Hewitt Associates in 2002. Consequently, he was Chief Executive Officer of Hewitt Outsourcing (Asia) based in Singapore. Mr. Sabharwal is a member of the National Skill Mission, Central Advisory Board of Education and has served on various policy committees for education, employment and employability. He served as an Independent Director on the Board of the Reserve Bank of India (RBI). He is a Member of Advisory Board of the Comptroller and Auditor General (CAG) and a governing board member of National Council of Applied Economic Research (NCAER). He is also Managing Trustee of the New India Foundation that offers fellowships for writing books about post-1947 India and is a columnist for Indian Express. He got his MBA from The Wharton School and is an alumnus of Shriram College, Delhi and Mayo College, Ajmer. Mr. Sabharwal's role has been transitioned to Executive Vice Chairman of the Company with effect from July 28, 2021.



Designation	Managing Director
Nationality	Indian
Age	51
Date of appointment in current term	01-09-2020
Current Term servicing on Board	Till August 31, 2025
Direct Shareholding	-

Board Memberships – in Indian Listed Companies	TeamLease Services Limited-Executive Director
Committee details as per Regulation 26 of Listing Regulations	
Membership	1
Chairmanship	-

### Mr. Ashok Reddy

Mr. Ashok Reddy is the co-founder and currently the Managing Director and Chief Executive Officer of our Company. He oversees our operations and represents our company in forums with major clients. He holds a bachelor's degree in commerce from the Shri Ram College of Commerce, Delhi University and a diploma in management from Indian Institute of Management, Bengaluru. Prior to his current position, he was a co-founder and director of India Life Pension Services Limited, a payroll and pension services company that was acquired by Hewitt associates in 2002. He has been awarded the "Skills Champion of India" award in the category of Skills Champion: Emerging Warrior for his outstanding contribution to the field of skills development.



Designation	Independent Director
Nationality	Indian
Age	66
Date of appointment in current term	08-07-2020
Current Term servicing on Board	2nd
Direct Shareholding	-

Board Memberships – in Indian Listed Companies	TeamLease Services Limited -Independent Director Mafatlal Industries Limited -Independent Director
Committee details as per Regulation 26 of Listing Regulations	
Membership	2
Chairmanship	1

### Mrs. Latika Pradhan

Mrs. Latika Pradhan is an Independent Director of our Company. She is a qualified chartered accountant, cost and management accountant, company secretary and bachelor of laws, with an experience spanning over 35 years in various industries, heading finance, legal and secretarial, internal audit and information technology functions. She is also an independent director on the board of Mafatlal Industries Limited. In the past, she has been associated with Voltas Limited, Blue Star Limited, Cummins Group, Parke Davis India Limited and Pidilite Industries Limited in various capacities. She has been an Independent Director of our Company since July 09, 2015.



Designation	Independent Director
Nationality	Indian
Age	66
Date of appointment in current term	08-07-2020
Current Term servicing on Board	2nd
Direct Shareholding	-

Board Memberships – in Indian Listed Companies	TeamLease Services Limited-Independent Director
Committee details as per Regulation 26 of Listing Regulations	
Membership	2
Chairmanship	1

### Dr. V. Raghunathan

Dr. V. Raghunathan is an Independent Director of our Company. He is an academic, corporate executive, author and columnist and a hobbyist and features among the top 50 Global Indian Management Thinkers of Thinkers Magazine, 2013 and 2014. He was conferred the title of fellow of the Indian Institute of Management, Calcutta, in the field of finance and control. He was a professor at the Indian Institute of Management, Ahmedabad, for nearly two decades, until 2002. Since January 2005, he has been the chief executive officer of GMR Varalakshmi Foundation. He has authored several books and currently also blogs for the Times of India. He has been an Independent Director of our Company since July 09, 2015.

## PROFILE OF BOARD OF DIRECTORS

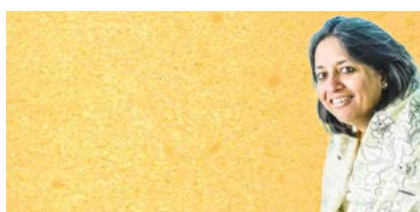


**Mr. Zarir Batliwala**

Mr. Zarir Batliwala is an Independent Director of our Company. He is a Bachelor in Law and a senior Fellow Member of the Institute of Company Secretaries of India. He brings with him 45 + years of rich corporate experience at senior leadership level with functional experience in legal and human resource management, with a strong exposure to business and leadership and organisational development. Mr. Batliwala has been associated with various organisations like Mahindra & Mahindra Group of Companies, Britannia Industries Limited, Hewlett-Packard, and the like, heading human resources, legal and secretarial functions. Between 2010 and 2014, he acted as a consultant to us, as head of the human resources function. Currently, he is an Independent People Practices consultant, focusing on organisational structure, performance management systems and workplace culture. He has been an Independent Director of our Company since March 29, 2019.

Designation	Independent Director
Nationality	Indian
Age	71
Date of appointment in current term	29-03-2019
Current Term servicing on Board	1st

Direct Shareholding	-
Board Memberships – in Indian Listed Companies	TeamLease Services Limited-Independent Director
Committee details as per Regulation 26 of Listing Regulations	
Membership	1
Chairmanship	-



**Mrs. Meenakshi Nevatia**

Mrs. Meenakshi Nevatia is the Managing Director of Stryker India since October 2018. Over the last 2.5 years, she has focused on transforming the organization into a truly customer focused company while significantly strengthening operational basics and building a vibrant organization culture that can attract and retain the best talent in the industry.

Prior to joining Stryker, Mrs. Nevatia had a successful 15-year stint with Novartis, where she served in various sales, marketing and business leadership positions across geographies including Switzerland, UK, Spain, Hong Kong and Thailand. Her last role in Novartis was as Country President and Pharma Division head for Novartis in Thailand.

Mrs. Nevatia started her career with McKinsey & Company in 1994, where she led various projects in the Healthcare Practice (Pharmaceuticals, Medical Devices & Health Insurance) across several markets including India, Singapore, U.S. and South Africa.

Mrs. Nevatia has a Master of Business Administration in Strategy and Finance from the Indian Institute of Management, Ahmedabad (IIM A) and Bachelor of Science in Economics and Mathematics from the Presidency College, Kolkata.

Mrs. Nevatia is on the Board of the Medical Technology Association of India (MTAI), on the Governing Council of Nathealth and is the Chair of the Med Tech Committee at AMCHAM (American Chamber of Commerce).

Designation	Independent Director (Additional)
Nationality	Indian
Age	51
Date of Appointment in current term	28-07-2021
Proposal for Regularisation	21st AGM – September 03, 2021
Current Term servicing on Board	1st

Direct Shareholding	-
Board Memberships – in Indian Listed Companies	TeamLease Services Limited -Independent Director (Additional)
Committee details as per Regulation 26 of Listing Regulations	
Membership	-
Chairmanship	-



**Mr. Mekin Maheshwari**

Designation	Independent Director (Additional)
Nationality	Indian
Age	41
Date of Appointment in current term	09-06-2021
Proposal for Regularisation	21st AGM – September 03, 2021
Current Term servicing on Board	1st

Direct Shareholding	-
Board Memberships – in Indian Listed Companies	TeamLease Services Limited -Independent Director (Additional)
Committee details as per Regulation 26 of Listing Regulations	
Membership	-
Chairmanship	-

Mr. Mekin Maheshwari is the Founder and CEO, Udhyam Learning Foundation. He is a graduate in engineering from PESIT, Bangalore. He started his career in 2002 with Yahoo! and then went on to join Ugenie where he created weRead - a successful social network around books. He was an early team member at Flipkart in 2009 where he played various roles. As Head of Engineering, he built a great tech team, which he counts as his biggest professional achievement till date. He then went on to establish two small start-ups within Flipkart and finally took on the role of Chief People Officer. He moved on from Flipkart in March 2016. In 2017, he started Udhyam Learning Foundation, a not-for-profit organisation. Udhyam aims to develop entrepreneurial mindsets amongst youth and nano entrepreneurs to help them pursue their potential. He is also Co-founder of GAME (Global Alliance for Mass Entrepreneurship) which was started in 2018. He is an angel investor for non-profit, social and tech start-ups.



**Mr. Subramaniam Somasundaram**

Designation	Independent Director (Additional)
Nationality	Indian
Age	60
Date of Appointment in current term	28-07-2021
Proposal for Regularisation	21st AGM – September 03, 2021
Current Term servicing on Board	1st

Direct Shareholding	-
Board Memberships – in Indian Listed Companies	TeamLease Services Limited -Independent Director (Additional)
Committee details as per Regulation 26 of Listing Regulations	
Membership	-
Chairmanship	-

Mr. S. Subramaniam was the Chief Financial Officer for Titan Company Limited for a decade till his superannuation in June 2021. During the stint with Titan, he was also on the Board of its subsidiaries like Caratlane Trading Pvt Ltd, Titan Engineering and Automation Ltd, Favre Leuba AG and the joint venture, Montblanc India Retail Pvt Ltd. He is also on the Board of Innoviti Payment Solutions Pvt Ltd.

Before joining Titan, he was in the Telecom industry for over 11 years including stints of CFO for BPL Mobile group and CEO for BPL Mobile operations in Mumbai and CFO of the Telecom vertical in Essar group and worked extensively in setting up its foray into green field telecom operations in Africa.

A Chartered Accountant and Cost Accountant by qualification and with over 35 years of post-qualification experience in Finance, Strategy and Business roles, specifically in areas like controllership, treasury and fund raising in India and in overseas markets, debt restructuring, preparation for IPO, mergers and acquisitions, business partnering and investor relations.

His previous job experiences included working with A F Ferguson & Co, ITC Limited and VST Industries in India and Mannai Group in Doha, Qatar.



# EXECUTIVE MANAGEMENT TEAM



**Manish Mahendra Sabharwal**  
Executive Vice Chairman



**Ashok Reddy**  
Managing Director



**Ramani Dathi**  
Chief Financial Officer



**Alaka Chanda**  
Company Secretary and  
Compliance Officer



**Priya Gopalakrishnan**  
Head - Human Resources



**Rituparna Chakraborty**  
Executive Vice President - Staffing



**Sunil Chemmankotil**  
Senior Vice President - TL  
Specialized Staffing



**Sumit Kumar**  
Vice President - NETAP



**Shantanu Rooj**  
Founder & CEO - TL Edtech



**Neeti Sharma**  
Co-Founder & President  
- TLSU, TL Edtech



**Rishi Agrawal**  
Co-Founder & CEO - Avantis Regtech



**Prasanth Singh**  
Vice President - CPO Business

# CORPORATE INFORMATION

## Board Committees, Bankers and Auditors

### Audit Committee

**Latika Pradhan**, Chairperson  
**Narayan Ramachandran**, Member  
**V. Raghunathan**, Member  
**Zarir Batliwala**, Member

### Nomination and Remuneration Committee

**Narayan Ramachandran**, Chairman  
**Latika Pradhan**, Member  
**V. Raghunathan**, Member  
**Zarir Batliwala**, Member

### Stakeholders Relationship Committee

**V. Raghunathan**, Chairman  
**Ashok Reddy**, Member  
**Manish Mahendra Sabhrawal**, Member

### Corporate Social Responsibility Committee

**V. Raghunathan**, Chairman  
**Manish Mahendra Sabharwal**, Member  
**Ashok Reddy**, Member

### Risk Management Committee

**Narayan Ramachandran**, Chairman  
**Ashok Reddy**, Member  
**Latika Pradhan**, Member  
**Zarir Batliwala**, Member

### Chief Financial Officer

**Ramani Dathi**

### Company Secretary & Compliance Officer

**Alaka Chanda**

### Statutory Auditors

S. R. Batliboi & Associates LLP  
Chartered Accountants  
Level 12, Canberra Block,  
UB City, 24, Vittal Mallya Road  
Bangalore – 560 001, India

### Internal Auditors

Grant Thornton India LLP  
65/02, Bagmane Tridib, Block A  
Bagmane Tech Park, C V Raman  
Nagar, Bengaluru 560 093,  
Karnataka, India

### Bankers

Axis Bank Limited  
Federal Bank  
HDFC Bank  
IDBI Bank  
RBL Bank  
IndusInd Bank  
Kotak Mahindra Bank  
State Bank of India  
ICICI Bank Limited

### Shares are listed with

National Stock Exchange of India Limited  
BSE Limited

### Registrar and Transfer Agents

**KFin Technologies Private Limited**  
(Formerly known as Karvy Fintech Private Limited)  
Karvy Selenium Tower B,  
Plot 31-32 Gachibowli, Financial  
District Nanakramguda,  
Hyderabad 500 032 Telangana, India  
Toll Free Number: 1- 800-309-4001  
Email: einward.ris@kfintech.com  
Website: [www.kfintech.com](http://www.kfintech.com)

### Registered Office

6th Floor, BMTC Commercial  
Complex, 80 Feet Road,  
Kormangala, Bengaluru - 560 095  
Karnataka, India  
Tel.: + 91 80 6824 3000,  
Fax: + 91 80 6824 3001  
Website: [www.teamleasegroup.com](http://www.teamleasegroup.com)  
Corporate Identity Number:  
L74140KA2000PLC118395

### Corporate Office

6th Floor, BMTC Commercial  
Complex, 80 Feet Road, Kormangala,  
Bengaluru - 560 095,  
Karnataka, India  
Tel.: + 91 80 6824 3000,  
Fax: + 91 80 6824 3001

### Branch offices

Ahmedabad  
Delhi  
Pune  
Kolkata  
Mumbai  
Hyderabad  
Chennai  
Bangalore  
Gurugram  
Kochi  
Lucknow  
Vadodara  
Dehradun

# SALUTING OUR EMPLOYEES

The Covid-19 pandemic has been devastating, affecting lives and livelihoods with the imposition of lockdowns, movement restrictions and unprecedented uncertainty. It has changed the world of work and our normal way of life. Many of our fellow co-workers, customers, and stakeholders were affected by these circumstances and we hope for their safety and overall well-being.

We had to take a calculated decision to introduce wage cuts to help facilitate continuity of operations in the dire pandemic situation, during Q1 FY2021. However, the wage cuts were restored in Q2FY2021 and deduction in Q1 was repaid in the second half of the Financial Year in view of the performance posted by the business during the year and also on an account of a few provisions on delayed collection. TeamLease is proud of the strength, determination and trust of its employees, which have played a major part in maintaining our resilience and helping us make it through these challenging times.

Our employees deserve the highest salutations and our gratitude for displaying exemplary qualities and leading by example during the Covid-19 pandemic. These include adjusting to the new normal, adhering to new safety protocols like maintaining social distances, hygiene, sanitization, wearing masks/PPE, and new procedures like remote work. We are grateful for their continued co-operation and dedication to the company, which has been the main proponent for our success and sustained operations.



**TEAMLEASE SERVICES LIMITED**

CIN: L74140KA2000PLC118395

6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India

Tel.: + 91 80 6824 3000 Fax: + 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamleasegroup.com](http://www.teamleasegroup.com)**Twenty First (21<sup>st</sup>) Annual General Meeting – Friday, September 03, 2021**

July 28, 2021

**Dear Shareholder(s),**

You are cordially invited to attend the **Twenty First (21<sup>st</sup>)** Annual General Meeting (AGM) of the Shareholders of TeamLease Services Limited ("the Company") to be held on Friday, September 03, 2021 at 03:00 P.M. IST, through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility.

The Notice of the AGM, (AGM Notice/Notice) containing the businesses to be transacted is enclosed herewith. In terms of Section 108 of the Companies Act, 2013, read with the related Rules and Regulation 44 of SEBI LODR Regulations, 2015, the Company is pleased to provide its Shareholders, the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for E-Voting are enclosed herewith.

The Route Map to the venue of AGM, the Proxy Form for extending the facility for appointment of proxies by the Members, the Attendance Slip form are not enclosed to this AGM Notice, since this AGM is being held through VC/ OAVM pursuant to the applicable Ministry of Corporate Affairs and Securities and Exchange Board of India (MCA and SEBI) Circulars.

Very truly yours,

**Alaka Chanda**

Company Secretary and Compliance Officer

Membership No: F10911

TeamLease Services Limited

Registered Office:

6<sup>th</sup> Floor, BMTC Commercial Complex,

80 Ft Road, Koramangala,

Bangalore, Karnataka - 560095, India

Tel: + 91 80 6824 3000

Fax.: + 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)[www.teamleasegroup.com](http://www.teamleasegroup.com)

Enclosures:

1. Notice to the 21<sup>st</sup> Annual General Meeting
2. Instructions for E-Voting

# NOTICE OF THE TWENTY FIRST (21<sup>ST</sup>) ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First (21<sup>st</sup>) Annual General Meeting (AGM) of the Shareholders of TeamLease Services Limited (CIN L74140KA2000PLC118395) ("TeamLease"/"Company") will be held on Friday, September 03, 2021, at 03:00 P.M. IST, through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") facility, to transact the following businesses:

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at TeamLease Services Limited, 6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka- 560095, India, which shall be the deemed venue of the AGM.

SL. NO(S)	PARTICULAR(S)
<b>A. ORDINARY BUSINESSES:</b>	
Item No. 1	To receive, consider and adopt Audited Standalone Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.
Item No. 2	To receive, consider and adopt Audited Consolidated Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.
Item No. 3	To receive, consider and adopt the Report of the Board of Directors for the Financial Year ended March 31, 2021.
Item No. 4	To appoint a Director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601), who retires by rotation and being eligible, offers himself for re-appointment.
<b>B. SPECIAL BUSINESSES:</b>	
Item No. 5	To appoint Mr. Mekin Maheshwari (DIN: 03621431) as an Independent Director of the Company.
Item No. 6	To appoint Mrs. Meenakshi Nevatia (DIN: 08235844) as an Independent Director of the Company
Item No. 7	To appoint Mr. Subramaniam Somasundaram (DIN : 01494407) as an Independent Director of the Company
Item No. 8	To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19 <sup>th</sup> ) AGM of the Company held on August 23, 2019.

## A. ORDINARY BUSINESSES:

### ITEM NO. 1

**To receive, consider and adopt Audited Standalone Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.**

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, and the report of the Auditor's thereon, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 2

**To receive, consider and adopt Audited Consolidated Financial Statements along with the Auditor's Report of the Company for the Financial Year ended March 31, 2021.**

"**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, and the report of the Auditor's thereon, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 3

**To receive, consider and adopt the Report of the Board of Directors for the Financial Year ended March 31, 2021.**

"**RESOLVED THAT** the report of the Board of Directors, for the Financial Year ended March 31, 2021, as circulated to the Members, be and are hereby considered and adopted."

### ITEM NO. 4

**To appoint a Director in place of Mr. Manish Mahendra Sabharwal (DIN: 00969601), who retires by rotation and being eligible, offers himself for re-appointment.**

#### Statutory Requirement:

Pursuant to Clause 58 of the Articles of Association of the Company and pursuant to Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Executive Directors and Non-Executive Directors other than Independent Directors are liable to retire by rotation and can seek re-appointment. Mr. Manish Mahendra Sabharwal, Executive Vice Chairman being the longest in office is liable to retire this year and is also eligible for re-appointment.



**Background:**

Mr. Manish Mahendra Sabharwal is Executive Vice Chairman of the Board as on the date of this AGM Notice. He was appointed for the second term as Chairman and Whole Time Director of the Company effective September 01, 2020, till March 31, 2022, which was approved by the Shareholders at the Annual General Meeting held on September 04, 2020. Pursuant to the Executive Director's liability to retire by rotation and eligibility to seek re-appointment, Mr. Sabharwal being eligible to be appointed as a Director, has offered himself for re-appointment as a Director.

**Proposal:**

Therefore, Shareholders are requested to consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Manish Mahendra Sabharwal (DIN: 00969601), as Director of the Company, to the extent that he is required to retire by rotation."

**B. SPECIAL BUSINESSES:****ITEM NO. 5****To appoint Mr. Mekin Maheshwari (DIN: 03621431) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the consent of the Shareholders be and is hereby accorded to appoint Mr. Mekin Maheshwari (DIN: 03621431), as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective June 09, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and pursuant to Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, Mr. Mekin Maheshwari

(DIN: 03621431), who meets the criteria for Independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from June 09, 2021 to June 08, 2026.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to give effect to this resolution."

**ITEM NO. 6****To appoint Mrs. Meenakshi Nevatia (DIN: 08235844) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the consent of the Shareholders be and is hereby accorded to appoint Mrs. Meenakshi Nevatia (DIN: 08235844), as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective July 28, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and pursuant to Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, Mrs. Meenakshi Nevatia (DIN: 08235844), who meets the criteria for Independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from July 28, 2021 to July 27, 2026.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to give effect to this resolution."

**ITEM NO. 7****To appoint Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the consent of the Shareholders be and is hereby accorded Mr. Subramaniam Somasundaram (DIN : 01494407) as an Independent Director who was appointed by the Board of Directors as an Independent Director (Additional) of the Company effective July 28, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 45 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time and pursuant to Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015 Mr. Subramaniam Somasundaram (DIN : 01494407), who meets the criteria for Independence as provided in Section 149(6) of the Act & Regulation 16(1)(6) of SEBI LODR Regulations 2015, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from July 28, 2021 to July 27, 2026."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to give effect to this resolution."

**ITEM NO. 8****To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19<sup>th</sup>) AGM of the company held on August 23, 2019**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder, (including any modification or re-enactment thereof for the time being in force), and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, the Shareholders do hereby accord its consent and approval to make amendments for the second time in the existing "TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019" ("ESAR 2019"/"Plan") to the extent of increasing the ESARs vesting period to not later than Five (5) years from the Grant Date of such ESARs, as against Four (4) years currently in the ESAR 2019/Plan.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

Registered Office:  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Ft Road, Koramangala,  
Bangalore, Karnataka - 560095, India  
Tel.: 91 80 6824 3000  
Fax: 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)

[www.teamleasegroup.com](http://www.teamleasegroup.com)

Date: July 28, 2021

Place: Bangalore

By Order of the Board of Directors

**TeamLease Services Limited**

**Alaka Chanda**

Company Secretary and Compliance Officer

Membership No: F10911

**Notes:**

1. Considering the present COVID-19 pandemic and in compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 20/2020 dated May 05, 2020 read together with MCA General Circular Nos. 14/2020, 17/2020 & 02/2021 dated April 08, 2020, April 13, 2020 and January 13, 2021 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (hereinafter collectively referred to as "the Circulars"), the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC" / "OAVM") without the physical presence of stakeholders at a common venue.

KFin Technologies Private Limited, Registrar & Transfer Agent of the Company, (Formerly known as Karvy Fintech Private Limited) ("KFintech") shall be providing facility for voting through remote E-Voting, for participation in the AGM through VC/ OAVM facility and E-Voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 25 below.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM on their behalf and cast their votes through remote E-Voting or at the AGM. Corporate/Institutional Members intending to authorize their representatives to participate and vote at the AGM are requested to send a certified copy of the Board Resolution / Authorization Letter to the Company at e-mail ID [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) with a copy marked to [evoting.kfintech.com/](mailto:evoting.kfintech.com/), authorizing its representative(s) to attend and vote through VC/OAVM

on their behalf at the Meeting, pursuant to Section 113 of the Act.

5. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
6. In compliance with applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015 read with above mentioned MCA and SEBI Circulars, the AGM of the Company is being conducted through VC/OAVM.

In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards -1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

7. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Businesses at the AGM, is annexed hereto.

The Board of Directors have considered and decided to include the Item Nos. 5, 6, 7 and 8 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature.

In terms of the provisions of Section 152 of the Act, Mr. Manish Mahindra Sabharwal, Director, retires by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.

Mr. Manish Mahindra Sabharwal is interested in the Ordinary Business set out at Item No. 4 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 4 of the Notice.

Details of Directors retiring by rotation / seeking appointment at this Meeting are provided in the "Annexure" to the Notice.

8. Pursuant to the Notification issued by the Ministry of Corporate Affairs on May 07, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

9. In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names will be entitled to vote.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., September 03, 2021. Members seeking to inspect such documents can send an email to [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com).
11. All the documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the AGM.
12. Notice is sent to all the Shareholders (electronic copy), whose names appear in the Register of Shareholders as on Friday, July 30, 2021. The Notice of the AGM is also hosted on the website of the Company i.e., <https://www.teamleasegroup.com/annual-reports>.
13. Shareholders holding shares in electronic form are advised to inform the particulars of their bank account, change of address and email ID to their respective depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of address and email ID to the Company or Registrar and Share Transfer Agents, KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), (KFinTech) Unit TeamLease Services Limited, Karvy Selenium Tower B, Plot no. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.
14. Shareholders holding shares in electronic (demat) form or in physical mode are requested to quote their DP ID & Client ID or Folio details respectively in all correspondences, to KFinTech. Shareholders holding shares in physical form are requested to approach their DP for dematerialization of their shares as per SEBI notification dated June 08, 2018 which mandates the transfer of securities to be in dematerialized form only, with effect from December 05, 2018. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s). Shareholders holding shares in physical form are required to submit their PAN details to KFinTech.
16. Shareholders holding shares in single name in physical mode are advised to make nomination in respect of their shareholding in the Company. Shareholders holding shares in electronic mode may contact their respective depository participants for availing the nomination facility. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFinTech at the above mentioned address.
17. Shareholders who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to KFinTech, for consolidation into a single folio.
18. Mr. Mukesh Siroya, Practicing Company Secretary, Mumbai, has been appointed as the Scrutiniser to scrutinise the E-Voting process in a fair and transparent manner. In case of any failure/inability to scrutinise the E-Voting process by Mr. Mukesh Siroya, Ms. Bhavyata Acharya (Membership No. A25734; CoP No. 21758), Practicing Company Secretary, shall be the alternate Scrutinizer to him.

The Scrutiniser will, after the conclusion of E-Voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote E-Voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Friday, September 03, 2021.
19. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-ID [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), at least 48 hours before the time fixed for the AGM i.e., by 03:00 P.M. IST on September 01, 2021, mentioning their name, demat

account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

Alternatively, Members holding shares as on the E-Voting cut-off date i.e., Friday, August 27, 2021, may also visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries" and post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be closed 48 hours before the time fixed for the AGM at 03:00 P.M. IST on September 01, 2021.

The Company will, at the AGM, endeavour to address the queries received till 03:00 P.M. IST on September 01, 2021 from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

Members of the Company, holding shares as on the cut-off date i.e., Friday, August 27, 2021 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by visiting <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Monday, August 30, 2021 (09:00 A.M. IST) upto Wednesday, September 01, 2021 (03:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

20. Non-Resident Indian Shareholders are requested to inform KFintech / respective depository participants, immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

The Company will not be dispatching physical copies of Annual Report and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFintech by following due procedure.

Shareholders may note that Twenty First (21<sup>st</sup>) AGM Notice, Annual Report 2021 and E-Voting instructions are also available on the Company's website i.e., <https://www.teamleasegroup.com/annual-reports> and website of the Stock Exchanges where the shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFintech at [evoting.kfintech.com/](http://evoting.kfintech.com/).

21. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Shareholders the facility to exercise their right to vote on resolutions proposed to be considered at the Twenty First (21<sup>st</sup>) AGM by electronic means and the business may be transacted through E-Voting services. The facility of casting the votes by the Shareholders using an electronic voting system from a place other than venue of the AGM ("remote E-Voting") will be provided by KFintech.
22. The voting through electronic means is scheduled as below:

The Company has fixed Friday, August 27, 2021 as Cut-off date for determining the Shareholders eligible for voting, through electronic means as well as during the AGM.

Commencement of remote E-Voting	Tuesday, August 31, 2021 (09:00 A.M. IST)
End of remote E-Voting	Thursday, September 02, 2021 (05:00 P.M. IST)

Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., Friday, August 27, 2021.

23. In accordance with MCA and SEBI Circulars, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Annual Report 2021 and the Notice of the Twenty First (21<sup>st</sup>) AGM are being sent by electronic mode only to Shareholders whose email ID are registered with the Company/ Depository Participant(s) for communication purpose.



The members who have cast their vote(s) by remote E-Voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. A member can opt for only single mode of voting per EVEN, i.e., through remote E-Voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote E-Voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

A person who is not a member as on the cutoff date, should treat the Notice for information purpose only.

24. The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, for Item Nos. 4, 5, 6, and 7 of the Notice are mentioned in Annexure 1, 2, 3, 4 of this AGM Notice.

## 25. INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- a. ATTENDING THE AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote E-Voting credentials.
- b. Please note that Members who do not have the remote E-Voting credentials like User ID and Password for E-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in E-Voting Instructions forming part of this AGM Notice.
- c. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during

the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox.

Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.

- d) Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at Note No. 25(a) above in the Notice and this mode will be available throughout the proceedings of the AGM.
  - e) In case of any query and/or help, in respect of attending AGM through VC/OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of [evoting.kfintech.com/](http://evoting.kfintech.com/) or contact at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), or contact Ms. Rajitha Cholleti / Mr. Premkumar Nair - Corporate Registry, KFintech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting.kfintech.com/](http://evoting.kfintech.com/) or call KFintech's toll free No.: 1- 800-309-4001 for any further clarifications.
26. The results shall be declared within 2 working days from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at <https://www.teamleasegroup.com> and the website of KFintech: [evoting.kfintech.com/](http://evoting.kfintech.com/) immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.

Registered Office:  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Ft Road, Koramangala,  
Bangalore, Karnataka - 560095, India  
Tel.: 91 80 6824 3000  
Fax: 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)  
[www.teamleasegroup.com](http://www.teamleasegroup.com)

Date: July 28, 2021  
Place: Bangalore

By Order of the Board of Directors  
**TeamLease Services Limited**

**Alaka Chanda**

Company Secretary and Compliance Officer  
Membership No: F10911

# INFORMATION AT A GLANCE:

Day, Date and Time	Friday, September 03, 2021, at 03:00 P.M. IST
Venue	Video Conferencing/ Other Audio-Visual Means and the deemed venue of the AGM shall be TeamLease Registered Office at Bangalore.
Financial Year	April 01, 2020, to March 31, 2021
Cut-off date for determining the names of Shareholders eligible to get Notice of Annual General Meeting	Friday, July 30, 2021
Cut-off date for determining the names of Shareholders eligible to vote	Friday, August 27, 2021
Remote E-voting start time and date	Tuesday, August 31, 2021 (09:00 A.M. IST)
Remote E-voting end time and date	Thursday, September 02, 2021 (05:00 P.M. IST)
Remote E-voting website of KFinTech	<a href="http://evoting.kfintech.com/">evoting.kfintech.com/</a>
Name, address and contact details of E-Voting service Provider and Registrar and Transfer Agent	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032 Contact detail: KFinTech's toll free No.: 1- 800-309-4001
Email Registration & Contact Updation Process	<b>Demat Shareholders:</b> Contact respective Depository Participant. <b>Physical Shareholders:</b> Contact Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> along with signed scanned copy of the request letter providing the email address, mobile number, self- attested copy of the PAN card and copy of the Share Certificate.
Email Registration on Registrar and Transfer Agent's website	Members may visit the following Website and follow the Registration Process as guided therein: • KFinTech's Website <a href="https://ris.kfintech.com/email_registration/">https://ris.kfintech.com/email_registration/</a> .
Participation through Video- Conferencing	Members can login from 02:45 P.M. IST on the date of AGM at <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
Helpline Number for VC participation	Call KFinTech's toll free No.: 1- 800-309-4001
Submission of Questions / Queries Before AGM	Questions/queries shall be submitted 48 hours before the time fixed for AGM i.e., by 03:00 P.M. IST on September 01, 2021, by any of the following process: • Email to <a href="mailto:corporateaffairs@teamlease.com">corporateaffairs@teamlease.com</a> mentioning name, demat account no./folio number, email ID, mobile number, etc. • Members holding shares as on the cut-off date i.e., Friday, August 27, 2021, may also visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on "Post Your Queries" and post queries/views/questions in the window provided, by mentioning name, demat account number/ folio number, email ID and mobile number.
Speaker Registration Before AGM	Visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on "Speaker Registration" and register as Speaker until 48 hours before the time fixed for AGM i.e., from Monday, August 30, 2021 (09:00 A.M. IST) upto Wednesday, September 01, 2021 (03:00 P.M. IST).
Recorded transcript	Will be made available post AGM at <a href="https://www.teamleasegroup.com">https://www.teamleasegroup.com</a>

## ANNEXURE 1 (For Agenda Item 4)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### Mr. Manish Mahendra Sabharwal (DIN: 00969601)

Mr. Manish Mahendra Sabharwal is the co-founder and currently the Executive Vice Chairman of our Company.

### Brief Profile of Mr. Manish Mahendra Sabharwal and Nature of Expertise:

Mr. Manish Mahendra Sabharwal aged about 51 years is the Executive Vice Chairman of TeamLease. Prior to co-founding the Company, he had co-founded India Life, a payroll and pension services company in 1996 that was acquired by Hewitt Associates in 2002. Consequently, he was Chief Executive Officer of Hewitt Outsourcing (Asia) based in Singapore. Mr. Sabharwal is a member of the National Skill Mission, Central Advisory Board of Education and has served on various policy committees for education, employment and employability. He served as an Independent Director on the Board of the Reserve Bank of India (RBI). He is a Member of Advisory Board of the Comptroller and Auditor General (CAG) and a governing board member of National Council of Applied Economic Research (NCAER). He is also Managing Trustee of the New India Foundation that offers fellowships for writing books about post-1947 India and is a columnist for Indian Express. He got his MBA from The Wharton School and is an alumnus of Shriram College, Delhi and Mayo College, Ajmer.

### Other Details:

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Attended all the eight (8) Board Meetings conducted during the Financial Year

### Indian Public Companies (Listed and Unlisted) in which Mr. Manish Mahendra Sabharwal holds Directorship and Committee Chairmanship/Membership:

Company	Director	Committee	Chairman
TeamLease Services Limited	Yes-Executive Vice Chairman	-	-
Pennar Industries Limited	Yes-Independent Director	-	-

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

Please refer to KMP remuneration details in Annexure VI for his remuneration breakup.

## ANNEXURE 2 (For Agenda Item 5)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### Mr. Mekin Maheshwari (DIN: 03621431)

Mr. Mekin Maheshwari is currently the Independent Director (Additional) of our Company appointed with effect from June 09, 2021.

### Brief Profile of Mr. Mekin Maheshwari (DIN: 03621431) and Nature of Expertise:

Mr. Mekin Maheshwari is the Founder and CEO, Udhyam Learning Foundation. He is a graduate in engineering from PESIT, Bangalore. He started his career in 2002 with Yahoo! and then went on to join Ugenie where he created weRead - a successful social network around books. He was an early team member at Flipkart in 2009 where he played various roles. As Head of Engineering, he built a great tech team, which he counts as his biggest professional achievement till date. He then went on to establish two small start-ups within Flipkart and finally took on the role of Chief People Officer. He moved on from Flipkart in March 2016. In 2017, he started Udhyam Learning Foundation, a not-for-profit organisation. Udhyam aims to develop entrepreneurial mindsets amongst youth and nano entrepreneurs to help them pursue their potential. He is also Co-founder of GAME (Global Alliance for Mass Entrepreneurship) which was started in 2018. He is an angel investor for non-profit, social and tech start-ups.

### Other Details:

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Appointed on June 09, 2021
Terms and Conditions of appointment / re-appointment	Explanatory statement covers the relevant details
Details of Remuneration sought to be paid	Sitting Fees as approved by the Board from time to time

### Indian Public Companies (Listed and Unlisted) in which Mr. Mekin Maheshwari holds Directorship and Committee Chairmanship/Membership:

Company	Director	Committee	Chairman
	-	NA	-

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

## ANNEXURE 3 (For Agenda Item 6)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### **Mrs. Meenakshi Nevatia (DIN: 08235844)**

Mrs. Meenakshi Nevatia is currently the Independent Director (Additional) of our Company appointed with effect from July 28, 2021.

### **Brief Profile of Mrs. Meenakshi Nevatia (DIN: 08235844) and Nature of Expertise:**

Mrs. Meenakshi Nevatia is the Managing Director of Stryker India since October 2018. Over the last 2.5 years, she has focused on transforming the organization into a truly customer focused company while significantly strengthening operational basics and building a vibrant organization culture that can attract and retain the best talent in the industry.

Prior to joining Stryker, Mrs. Nevatia had a successful 15-year stint with Novartis, where she served in various sales, marketing and business leadership positions across geographies including Switzerland, UK, Spain, Hong Kong and Thailand. Her last role in Novartis was as Country President and Pharma Division head for Novartis in Thailand.

Mrs. Nevatia started her career with McKinsey & Company in 1994, where she led various projects in the Healthcare Practice (Pharmaceuticals, Medical Devices & Health Insurance) across several markets including India, Singapore, U.S. and South Africa.

Mrs. Nevatia has a Master of Business Administration in Strategy and Finance from the Indian Institute of Management, Ahmedabad (IIM A) and Bachelor of Science in Economics and Mathematics from the Presidency College, Kolkata.

Mrs. Nevatia is on the Board of the Medical Technology Association of India (MTAI), on the Governing Council of Nathealth and is the Chair of the Med Tech Committee at AMCHAM (American Chamber of Commerce).

### **Other Details:**

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Appointed on July 28, 2021
Terms and Conditions of appointment / re-appointment	Explanatory statement covers the relevant details
Details of Remuneration sought to be paid	Sitting Fees as approved by the Board from time to time

### **Indian Public Companies (Listed and Unlisted) in which Mrs. Meenakshi Nevatia holds Directorship and Committee Chairmanship/ Membership:**

Company	Director	Committee	Chairman
		NA	

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).



## ANNEXURE 4 (For Agenda Item 7)

**Additional information on Directors recommended for appointment/re-appointment as required under Regulation 26(4), 36(3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India**



### **Mr. Subramaniam Somasundaram (DIN : 01494407)**

Mr. Subramaniam Somasundaram is currently the Independent Director (Additional) of our Company appointed with effect from July 28, 2021.

### **Brief Profile of Mr. Subramaniam Somasundaram (DIN : 01494407) and Nature of Expertise:**

Mr. Subramaniam Somasundaram was the Chief Financial Officer for Titan Company Limited for a decade till his superannuation in June 2021. During the stint with Titan, he was also on the Board of its subsidiaries like Caratlane Trading Pvt Ltd, Titan Engineering and Automation Ltd, Favre Leuba AG and the joint venture, Montblanc India Retail Pvt Ltd. He is also on the Board of Innoviti Payment Solutions Pvt Ltd.

Before joining Titan, he was in the Telecom industry for over 11 years including stints of CFO for BPL Mobile group and CEO for BPL Mobile operations in Mumbai and CFO of the Telecom vertical in Essar group and worked extensively in setting up its foray into green field telecom operations in Africa.

A Chartered Accountant and Cost Accountant by qualification and with over 35 years of post-qualification experience in Finance, Strategy and Business roles, specifically in areas like controllership, treasury and fund raising in India and in overseas markets, debt restructuring, preparation for IPO, mergers and acquisitions, business partnering and investor relations.

His previous job experiences included working with A F Ferguson & Co, ITC Limited and VST Industries in India and Mannai Group in Doha, Qatar.

### **Other Details:**

Disclosure of Relationship between Directors Inter-se	Nil
Direct Shareholding in the Company	Nil
Number of Meetings of the Board attended during the year	Appointed on July 28, 2021
Terms and Conditions of appointment / re-appointment	Explanatory statement covers the relevant details
Details of Remuneration sought to be paid	Sitting Fees as approved by the Board from time to time

### **Indian Public Companies (Listed and Unlisted) in which Mr. Subramaniam Somasundaram holds Directorship and Committee Chairmanship/ Membership:**

Company	Director	Committee	Chairman
		NA	

**Note:** As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

## Explanatory Statement (s) as required under the provisions of Section 102 of the Companies Act, 2013

### ITEM NO.5

#### To appoint Mr. Mekin Maheshwari as an Independent Director of the Company

**The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are mentioned in Annexure 2 of this AGM Notice.**

The Board of Directors ("Board") based on recommendation of the Nomination and Remuneration Committee, appointed Mr. Mekin Maheshwari as an Additional (Non-Executive) Independent Director of the Company effective June 09, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles of Association of the Company, Mr. Mekin Maheshwari (DIN: 03621431) will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Mekin Maheshwari for the office of Independent Director. The Company has received from Mekin Maheshwari (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (iv) The Independent Director have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mr. Mekin Maheshwari as an Independent Director of the Company for a period of five years commencing from June 09, 2021 to June 08, 2026.

Mr. Mekin Maheshwari, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mr. Mekin Maheshwari is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members.

Mr. Mekin Maheshwari's appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice except Mr. Mekin Maheshwari to whom this resolution relates.**

The Board recommends the resolution set forth in Item No. 5 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for electronic inspection by the Shareholders, without any fees at the Registered Office of the Company.

### ITEM NO.6

#### To appoint Mrs. Meenakshi Nevatia as an Independent Director of the Company

**The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are mentioned in Annexure 3 of this AGM Notice.**

The Board of Directors ("Board") based on recommendation of the Nomination and Remuneration Committee, appointed Mrs. Meenakshi Nevatia as an Additional (Non-Executive) Independent Director of the Company effective July 28, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles of Association of the Company Mrs. Meenakshi Nevatia (DIN: 08235844) will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Mrs. Meenakshi Nevatia for the office of Independent Director. The Company has received from Mrs. Meenakshi Nevatia (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors)

Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (iv) The Independent Director have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mrs. Meenakshi Nevatia as an Independent Director of the Company for a period of five years commencing from July 28, 2021 to July 27, 2026.

Mrs. Meenakshi Nevatia, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mrs. Meenakshi Nevatia is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members.

Mrs. Meenakshi Nevatia's appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice except Mrs. Meenakshi Nevatia to whom this resolution relates.**

The Board recommends the resolution set forth in Item No. 6 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for electronic inspection by the Shareholders, without any fees at the Registered Office of the Company.

#### **ITEM NO.7**

**To appoint Mr. Subramaniam Somasundaram as an Independent Director of the Company**

**The relevant details as required under Regulation 26 (4) & 36 (3) of SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are mentioned in Annexure 4 of this AGM Notice.**

The Board of Directors ("Board") based on recommendation of the Nomination and Remuneration Committee, appointed Mr. Subramaniam Somasundaram as an Additional (Non-Executive) Independent Director of the Company effective July 28, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 45 of the Articles To appoint Mr. Subramaniam Somasundaram (DIN : 01494407) as an Independent Director of the Company will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed an Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a shareholder, proposing the candidature of Mr. Subramaniam Somasundaram for the office of Independent Director. The Company has received from Mr. Subramaniam Somasundaram (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 (iv) The Independent Director have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013 and the Rules made thereunder, for appointment of Mr. Subramaniam Somasundaram as an Independent Director of the Company for a period of five years commencing from July 28, 2021 to July 27, 2026.

Mr. Subramaniam Somasundaram, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mr. Subramaniam Somasundaram is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members.

Mr. Subramaniam Somasundaram appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and hence forms part of this Notice.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice except Mr. Subramaniam Somasundaram to whom this resolution relates.**

The Board recommends the resolution set forth in Item No. 7 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for electronic inspection by the Shareholders, without any fees at the Registered Office of the Company.

#### ITEM NO.8

**To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19<sup>th</sup>) AGM of the company held on August 23, 2019**

The Company had availed the approval of Shareholders vide the 19<sup>th</sup> Annual General Meeting of the Company held on August 23, 2019, to implement the TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") for the welfare of the Employees of the Company and its Subsidiary Companies. The objective of the Plan is to reward and incentivise employees for their skills, talent and performance. However, the said Plan had extended absolute approval powers granted to the Nomination and Remuneration Committee and also allowed for settlement of fractional shares in cash or as decided by the Nomination and Remuneration Committee of the Board.

The Company had availed the approval of Shareholders vide the 20<sup>th</sup> Annual General Meeting of the Company held on September 04, 2020 to amend the TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") for the first time, to bring the existing Plan in sync with the Companies Act, 2013, SEBI LODR Regulations, 2015 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to amend the existing TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") to the extent of giving review and recommendatory powers to the Nomination and Remuneration Committee of the Company and approval powers to the Board of Directors of the Company pertaining to the management and/or monitoring of the Plan, as against the current absolute approval powers granted to the Nomination and Remuneration Committee in the said

existing Plan and to ensure settlement of fractional shares should always be in cash without any discretionary powers extended to the Nomination and Remuneration Committee of the Board towards settlement of fractional shares in any other mode except cash, hereby known as the first amendment of TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") effective from date of shareholders' approval, i.e. September 04, 2020.

The Company now proposes to amend the TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") for the second time subject to shareholders' approval hereby known as the second amendment of TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") effective from date of shareholders' approval i.e. September 03, 2021. In sync with the Companies Act, 2013, SEBI LODR Regulations, 2015 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations"), issued by the Securities and Exchange Board of India ("SEBI") and such other applicable regulations which may be issued and/ or amended from time to time by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, the Management proposes to amend the existing TEAMLEASE SERVICES LIMITED - Employee Stock Appreciation Rights Plan 2019 ("ESAR 2019"/"Plan") to the extent of increasing the ESARs vesting period to not later than Five (5) years from the Grant Date of such ESARs, as against Four (4) years currently in the ESAR 2019/Plan.

Changes proposed:

SL. NO	Existing Vesting Clause (Clause 7.1)	Proposed amendment (Clause 7.1)
1	ESARs granted under ESAR 2019 would Vest after One (1) year but not later than Four (4) years from the Grant Date of such ESARs.	ESARs granted under ESAR 2019 would Vest after One (1) year but not later than Five (5) years from the Grant Date of such ESARs.

**None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.**

The Board recommends the resolution set forth in Item No. 8 for the approval of the Shareholders.

All the material documents pertaining to the above resolution shall be available for inspection by the Shareholders at the Registered Office of the Company.



## TEAMLEASE SERVICES LIMITED

CIN: L74140KA2000PLC118395

6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India

Tel.: + 91 80 6824 3000 Fax: + 91 80 6824 3001

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) | [www.teamleasegroup.com](http://www.teamleasegroup.com)

### Twenty First (21<sup>st</sup>) Annual General Meeting – Friday, September 03, 2021

**Dear Shareholder(s),**

**Subject: Instructions for E-Voting**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of the SEBI LODR Regulations, 2015 the Company is pleased to provide E-Voting facility to the Shareholders to cast their votes electronically on all resolutions set forth in the Notice convening **Twenty First (21st)** AGM to be held on Friday, September 03, 2021, at 03:00 P.M. IST through VC/OAVM facility. The Company has engaged the services of KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) (KFinTech) to provide the E-Voting facility.

The Notice is displayed on the Company's website, <https://www.teamleasegroup.com/annual-report> and on the Website of KFinTech, <https://evoting.kfintech.com/>

The E-Voting facility is available at the link, <https://evoting.kfintech.com/>

The E-Voting facility will be available during the following voting period:

Commencement of E-Voting	End of E-Voting
Tuesday, August 31, 2021 at 09:00 A.M. IST	Thursday, September 02, 2021 at 05:00 P.M. IST

The remote E-Voting facility shall not be allowed beyond the aforesaid date and time and the E-Voting module shall be disabled by KFinTech upon expiry of said period.

Please read the instructions printed below before exercising your vote:

These details and instructions form an integral part of the Notice for the Twenty First (21st) AGM of the Company to be held on Friday, September 03, 2021.

Registered Office:  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Ft Road, Koramangala,  
Bangalore, Karnataka - 560095, India  
Tel: + 91 80 6824 3000  
Fax.: + 91 80 6824 3001

By Order of the Board of Directors  
**TeamLease Services Limited**

**Alaka Chanda**  
Company Secretary and Compliance Officer  
Membership No: F10911

[corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com)  
[www.teamleasegroup.com](http://www.teamleasegroup.com)

Date: July 28, 2021

Place: Bangalore



**PROCEDURE FOR REMOTE E-VOTING**

- A. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the E-Voting services provided by KFintech on all resolutions set forth in this Notice, through remote E-Voting.

Members are requested to note that the Company is providing facility for remote E-Voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote E-Voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

**Instructions:**

- a. Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number ("EVEN"), USER ID and password:

- (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- (ii) Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.

However, if you are already registered with KFintech for E-Voting, you can login by using your existing User ID and password for casting your vote.

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any

other person and that you take utmost care to keep your password confidential.

- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., TeamLease Services Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (ix) Members holding multiple folios/ demat accounts shall vote separately for each folio/ demat account.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xii) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., duly authorising their authorized representative(s) to attend the AGM through VC/ OAVM on its behalf and to vote through remote E-Voting to the Company at the e-mail ID [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and it should reach the Company by email not later than Thursday, September 02, 2021 (05:00 P.M. IST). In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of AGM.

b. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and inform KFintech at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) (in case of Shares held in physical form):

(i) Upon registration, Member will receive an e-mail from KFintech which includes details of E-Voting Event Number (EVEN), USER ID and password.

(ii) Please follow all steps from Note. No. A (a) (i) to (xii) above to cast your vote by electronic means.

## B. OTHER INSTRUCTIONS:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com/> or contact at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), or Ms. Rajitha Cholleti / Mr. Premkumar Nair - Corporate Registry at KFintech, Selenium, Tower B, Plot No. 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No.:1- 800-309-4001 for any further clarifications.

b. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

c. The remote E-Voting period commences on Tuesday, August 31, 2021 (09:00 A.M. IST) and ends on Thursday, September 02, 2021 (05:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Friday, August 27, 2021 may cast their votes electronically. The remote E-Voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is not a Member as on the cutoff date should treat this Notice for information purposes only.

d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Friday, August 27, 2021, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e., Friday, August 27, 2021, he/she/it may obtain the User ID and Password in the manner as mentioned below:

(i) If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD ←space→ Folio No. or DP ID Client ID to +91 9212993399.

In case of physical holding, prefix Folio No. with EVEN.

Example for NSDL:

MYEPWD ←space→ IN12345612345678

Example for CDSL:

MYEPWD ←space→ 1402345612345678

Example for Physical:

MYEPWD ←space→ XXXX1234567890

(XXXX being EVEN)

(ii) If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

(iii) Member may call KFintech toll free number 1- 800-309-4001.

(iv) Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

KFintech shall send User ID and Password to those new Members whose e-mail IDs are available.

## VOTING AT THE AGM:

a. The procedure for E-Voting during the AGM is same as the instructions mentioned above for remote E-Voting since the AGM is being held through VC/OAVM.

b. The E-Voting window shall be activated upon instructions of the Chairman of the AGM during the AGM.

c. E-voting during the AGM is integrated with the VC/ OAVM platform and no separate login is required for the same. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the AGM.

- d. Members who have already cast their votes by remote E-Voting are eligible to attend the AGM through VC/ OAVM; however, these Members are not entitled to cast their vote again during the AGM. A Member can opt for only single mode of voting i.e., through Remote E-Voting or voting through VC/ OAVM mode during the AGM.

#### **PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING**

#### **INSTRUCTIONS FOR THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFINTech (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):**

- I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
  - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - b. Members holding shares in physical form may register their email address and mobile number with KFin Technologies Private Limited by sending an email request at the email ID einward. [ris@kfintech.com](mailto:ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the E-Voting instructions.
- II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFintech for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFintech are required to provide their email address to KFintech, on or before 05:00 P.M. IST on August 27, 2021.

The process for registration of email address with KFintech for receiving the Notice of AGM and login ID and password for E-Voting is as under:

- i. Visit the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/)
  - ii. Select the Company name viz. TeamLease Services Limited.
  - iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
  - iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
  - v. Enter your email address and mobile number.
  - vi. The system will then confirm the email address for receiving this AGM Notice. The Members may also visit the website of the Company [www.teamleasegroup.com](http://www.teamleasegroup.com) and click on the "email registration" and follow the registration process as guided thereafter. Please note that in case of shareholding in dematerialised form, the updation of email address will be temporary only upto AGM. After successful submission of the email address, KFintech will email a copy of this AGM Notice along with the E-Voting user ID and password. In case of any queries, Members are requested to write to KFintech.
- III. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/Fintech to enable serving of notices/documents/Annual Reports and other communications electronically to their email address in future.

#### **PROCEDURE TO LOGIN THROUGH WEBSITES OF DEPOSITORIES**

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants as detailed below. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Option 1 – Login through Depositories**

NSDL	CDSL
<ol style="list-style-type: none"> <li>1. Members who have already registered and opted for IDeAS facility to follow below steps:               <ol style="list-style-type: none"> <li>(i) Go to URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>(ii) Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>(iii) On the new page, enter the existing User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>(iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period</li> </ol> </li> <li>2. User not registered for IDeAS e-Services               <ol style="list-style-type: none"> <li>(i) To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> [Select "Register Online for IDeAS"] or <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>(ii) Proceed with completing the required fields.</li> </ol> </li> <li>3. First-time users can visit the e-Voting website directly and follow the process below:               <ol style="list-style-type: none"> <li>(i) Go to URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>(ii) Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>(iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>(iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>(v) Click on the company name or e-Voting service provider name and you will be redirected to eVoting service provider website for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Members who have already registered and opted for Easi / Easiest to follow below steps:               <ol style="list-style-type: none"> <li>(i) Go to URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> ; or</li> <li>(ii) URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select New System Myeasi</li> <li>(iii) Login with user id and password.</li> <li>(iv) The option will be made available to reach e-Voting page without any further authentication.</li> <li>(v) Click on company name or e-Voting service provider name to cast your vote during the remote e-Voting period</li> </ol> </li> <li>2. User not registered for Easi/Easiest               <ol style="list-style-type: none"> <li>(i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>(ii) Proceed with completing the required fields.</li> </ol> </li> <li>3. First-time users can visit the e-Voting website directly and follow the process below:               <ol style="list-style-type: none"> <li>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>(ii) Click on the icon "E-Voting"</li> <li>(iii) Provide demat Account Number and PAN No.</li> <li>(iv) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>(v) After successful authentication, the user will be provided links for the respective ESP where the eVoting is in progress.</li> <li>(vi) Click on the company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>

**Option 2 - Login through Depository Participants.**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period

# BOARD'S REPORT

Dear Shareholder(s),

Your Directors have the pleasure in presenting the Twenty First (21<sup>st</sup>) Annual Report of your Company (TeamLease Services Limited/TeamLease) on business and operations of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report for the year ended March 31, 2021. Consolidated performances of the Company, its subsidiaries and associate companies have been referred to wherever required.

## 1. Corporate Overview

The Company was incorporated in 2000 and has thereafter transformed to being one of the leading human resource service companies in the organized segment. A Fortune India 500 Company listed on BSE Limited and National Stock Exchange of India Limited since 2016, has its corporate headquarters at Bangalore.

## 2. Financial Summary and Highlights

A summary of the Company's financial results for the Financial Year 2020-21 is as under:

Particulars	₹ in Lakhs			
	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	4,88,145.67	5,20,072.26	4,46,593.69	4,78,337.68
Other Income	3,471.86	3,084.29	4,819.43	4,365.17
<b>Total Income</b>	<b>4,91,617.53</b>	<b>5,23,156.55</b>	<b>4,51,413.12</b>	<b>4,82,702.85</b>
Profit before finance cost, depreciation, amortisation and taxes	13,322.53	12,593.78	11,224.34	11,843.61
Depreciation and Amortisation	3,370.50	2,858.92	1,512.05	1,473.16
Profit before Finance Cost and Taxes	9,952.03	9,734.86	9,712.29	10,370.45
Finance Cost	689.83	1,288.89	577.65	868.79
<b>Profit before share of profit/(loss) from Associates</b>	<b>9,262.20</b>	<b>8,505.97</b>	<b>9,134.64</b>	<b>9,501.66</b>
Share of (loss)/ profit from associates	(108.58)	(208.56)	NA	NA
Exceptional Item	(300.00)	-	-	-
<b>Profit before tax</b>	<b>8,853.62</b>	<b>8,297.41</b>	<b>9,134.64</b>	<b>9,501.66</b>
Income Tax (credit)/expense	1006.15	4,799.87	727.62	5343.46
<b>Net Profit for the year</b>	<b>7,847.47</b>	<b>3,497.54</b>	<b>8,407.02</b>	<b>4,158.20</b>
Other Comprehensive Income/(Loss) for the year	147.68	28.96	55.25	28.47
<b>Total Comprehensive Income for the year</b>	<b>7,995.15</b>	<b>3,526.50</b>	<b>8,462.27</b>	<b>4,186.67</b>
Earnings Per Equity Share of ₹10 each:				
-Basic & Diluted (in ₹)	45.33	20.46	49.17	24.32

## 3. Standalone and Consolidated Financial Statements

As mandated by the Ministry of Corporate Affairs, the Financial Statements for the year ended March 31, 2021 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section

133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits



and cash flows for the year ended March 31, 2021. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

#### 4. Review of Business Operations and Future Prospects / State of Affairs

Your Directors wish to present the details of Business Operations done during the year under review:

##### Standalone Operations

The Company's Revenue from Operations for the year ended March 31, 2021 on a Standalone Basis has declined to ₹ 4,46,593.69 Lakhs from ₹ 4,78,337.68 Lakhs during the previous year. The Company achieved an EBIDTA (excluding other income) of ₹ 6,404.91 Lakhs during the current year as against the previous year EBIDTA (excluding other income) of ₹ 7,478.44 Lakhs. The net profit after tax of the Company for the year ended March 31, 2021 was ₹ 8,407.02 Lakhs as against the previous year profit after tax of ₹ 4,158.20 Lakhs.

##### Consolidated Operations

The Company's Revenue from Operations for the year ended March 31, 2021 on a Consolidated Basis has declined to ₹ 4,88,145.67 Lakhs from ₹ 5,20,072.26 Lakhs during the previous year. The Company achieved an EBIDTA (excluding other income) of ₹ 9,742.09 Lakhs during the current year as against the previous year EBIDTA (excluding other income) of ₹ 9,300.93 Lakhs. The net profit after tax of the Company for the year ended March 31, 2021 was ₹ 7,847.47 Lakhs as against the previous year profit after tax of ₹ 3,497.53 Lakhs.

Number of Associate Employees as on the date of close of Financial Year of the Company was ~228,150 (including the NETAP Trainees of 61,086) as against the previous year Associate employees of ~211,985 (including the NETAP Trainees of ~50,620).

Your Directors express their satisfaction on the overall financial performance and the progress made on different areas by the Company during the year under review.

From a business continuity purpose and in preparation for the future, cash flow availability and costs are key focus areas under the present circumstances. The Company is closely watching market conditions as the lockdown unfolds and evaluating all projects in pipeline and will pace them in line with market conditions. The revised timelines for the development plan will need to be reassessed as the situation unfolds.

The Management, based on its assessment of the situation, has internally revised its business forecasts for the near term and assessed the cash flow required. The cash on books, the sanctioned lines of credit and the operating cash flows as per the forecast appear to be reasonably adequate to meet the debt servicing obligations and minimal capital spends in respect of the development pipeline for the year.

A comprehensive renegotiation exercise is under way with our vendors and service providers; initial outcome of these discussions has been favorable.

The Company has the policy on the employment diversity which states the equal opportunity to everyone without any discrimination of gender, region, caste or religion.

#### 5. Global Pandemic-COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in supply chain disruption, unavailability of personnel, closure / lockdown of facilities etc. .

From the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. From a highly centralized model consisting of work spaces set in physical locations capable of accommodating thousands of employees, the switch to work from home for employees all over, extending all the elements of the Company's working model, was carried out seamlessly. As of March 31, 2020, work from home was enabled to close to 90 percent of the employees to work remotely and securely. This response has reinforced customer confidence in TeamLease and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions. TeamLease's working model ensures high quality and delivery certainty that the customers expect while addressing the issues around project management practices and systems.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY 2020, the strong inherent resilience of the business model, position the Company in a positive place, to navigate the challenges ahead and gain market. As on date of signing of this Annual Report, the Company has been participating in various engagements with the policy makers to recommend mitigation policies. Similarly, the Company is closely engaging with its operating partners and stakeholders to assess the consequent impact and recalibrate the manner in which business is conducted, going forward. With the lifting of the lockdown restrictions, the Company has started re-opening its office spaces in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company is taking utmost care of its staff and work place like sanitization, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene and overhead control measures to smoothly manage our operations. With a clear focus on a road map for recovery, the business processes and arrangements are being suitably realigned that includes an increased focus on health and safety of our employees, partners, stakeholders and associates. During this period of lockdown, the Company has taken various steps towards rethinking the 'new normal' for the business and gearing our offerings for the post COVID-19 lockdown world.

Fiscal 2021 has seen the health crisis deepen and the world's attention is focused on India's response to it. Corporations, along with delivering business continuity for clients, must, with renewed vigor, ensure the well-being of their employees and the communities in which they operate.

Today, 60% of TeamLease employees continue to work from home. With a more virulent surge of the pandemic in India, TeamLease has ramped up its efforts significantly to mitigate the impact of the virus.

Employee wellbeing checks are conducted frequently. In the event of an unfortunate turn, TeamLease offers support to the grieving family, including financial support reimbursements for medical expenses, salary advance and leave. Employees who have contracted it are allowed 14 days of additional paid leave to recuperate.

Comprehending the importance of the role played by vaccines in our fight against the virus, we have been encouraging employees and their family members to get vaccinated. TeamLease has also initiated vaccine drives for its employees and family members.

Our focus on our client commitments remained unwavering through this period, reflecting in the record

number of large deals we secured even while working remotely.

As an organization, our external communication has had to transition to the new virtual models as well. Events such as the Board Meetings, quarterly results, analyst meetings and the Annual General Meeting have all been executed successfully.

At TeamLease, even amid an unprecedented global crisis, we continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

## 6. Dividend Distribution Policy

As per the provisions of Regulation 43A of SEBI LODR Regulations, 2015, the top 1000 listed companies on the basis of market capitalization, shall formulate a Dividend Distribution Policy. Accordingly, the Dividend Distribution Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its Shareholders and/or retaining profits earned by the Company. The Policy is furnished herewith as **Annexure I** to the Board's Report and is also available on the Company's website at <https://www.teamleasegroup.com/policy-documents>.

## 7. Dividend and Reserves

Your Directors would like to use the profits earned for purpose of enhancing business and hence do not propose any dividend for the Financial Year under review. No amount has been transferred to reserves and the profit for the year has been retained in the surplus forming part of the reserves of the Company.

## 8. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There were no unpaid/unclaimed dividends declared and paid in previous years and hence the provisions of Section 125 of the Companies Act, 2013 do not apply for the year under review.

## 9. Subsidiaries and Joint Venture Companies

Your Company has formulated a Policy for determining 'Material Subsidiaries' pursuant to the provisions of Regulation 16 of SEBI LODR Regulations, 2015. The said Policy is available on the Company's website <https://www.teamleasegroup.com/policy-documents>.

The Company has eight direct and indirect subsidiaries, one Joint Venture and one Public-Private Partnership as on March 31, 2021. There are no material subsidiaries of the Company for the Financial Year 2020-21.

The details of Subsidiaries and Joint venture Public-Private Partnership are given below.

#### Subsidiaries:

1. IIJT Education Private Limited (IIJT)
2. TeamLease Education Foundation (TLEF)
3. TeamLease Digital Private Limited (TDPL)
4. Keystone Business Solutions Private Limited (Keystone)
5. Evolve Technologies & Services Private Limited (Evolve)
6. TeamLease E-Hire Private Limited (Formerly known as Cassius Technologies Private Limited (TL E-Hire))
7. I.M.S.I Staffing Private Limited (IMSI)
8. TeamLease Edtech Limited (Formerly known as School Guru Eduserve Private Limited) (TL Edtech)

#### Joint Venture

1. Avantis Regtech Private Limited (Avantis)

#### Public-Private Partnership

1. TeamLease Skills University (TLSU)
1. **IIJT Education Private Limited (IIJT)** is a wholly-owned subsidiary of the Company. During the year under review, the Company has generated revenue by leasing out its property.
2. **TeamLease Education Foundation (TLEF)** is a Section 8 Company (originally registered under Section 25 of the Companies Act, 1956). TLEF is a wholly-owned subsidiary of the Company. TLEF is the sponsor of TeamLease Skills University ("TLSU"), the country's first Skills University, established under the provisions of the Gujarat Private Universities Act, 2009.

Your Company plans to extend financial support to TLEF, till the operations of TLEF stabilize. The loan advanced to this wholly-owned subsidiary is at arm's length and will be charged with the appropriate rate of interest. TLEF, has in-turn, advanced monies to TLSU and the same is interest bearing.

TLEF is a National Employability Enhancement Mission ('NEEM') Agent as approved by the All India Council for Technical Education (AICTE). NEEM is an employability initiative of the Ministry of Human

Resource Development, Government of India. TLEF has operationalized the NEEM initiative as National Employability through Apprenticeship Programme (NETAP) through TLSU.

3. **TeamLease Digital Private Limited (TDPL)** was incorporated under the provisions of Companies Act, 2013 for the purpose of entering into the IT staffing business. TDPL is wholly-owned subsidiary of your Company.

TeamLease had through its subsidiary TDPL, acquired the IT Staffing vertical, of E-Centric Solutions Private Limited, by way of business transfer/ slump sale arrangement. E-Centric Solutions Private Limited is a Hyderabad-based HR Services Company. The IT Staffing vertical, operating since 2014, currently has over 220 core employees, 2405 associates deployed across 112 clients, with a turnover of over of ₹ 18,991.92 Lakhs.

4. **Keystone Business Solutions Private Limited (Keystone)** is engaged in the business of providing information technology staffing solutions and consulting. Keystone is a step down wholly-owned subsidiary of the Company through TDPL.
5. **Evolve Technologies & Services Private Limited (Evolve)** is a step down wholly-owned subsidiary of Company through TDPL w.e.f. October 31, 2017. Evolve is engaged in the business of staffing (predominantly temporary staffing) to clients in Telecom and IT sector.
6. **TeamLease E-Hire Private Limited (Formerly known as Cassius Technologies Private Limited) (TL E-Hire)** was an Associate Company w.e.f. June 01, 2017 with an investment of 30% stake in TL E-Hire. Your Company further acquired additional 21% stake and pursuant to such an investment, TL E-Hire became subsidiary Company w.e.f. July 31, 2018. Your Company further acquired additional 25% stake on July 04, 2019 and 24% stake on June 09, 2020 bringing the total investment to 100% as on March 31, 2021. The Bangalore headquartered TL E-Hire ([www.freshersworld.com](http://www.freshersworld.com)) is the leading job site for entry level hiring in India with about 6 million unique visits every month. It has a database of 2 crore+ resumes with over 2.5 lakh resumes added every month. TL E-Hire dominates its competitors in fresher hiring segment with an organic traffic of over 90% and is ranked among the Top 5 hiring portals in India in terms of traffic (per Alexa). It has over 1 lakh registered employers/ recruiters with 5,000 subscribed customers and conducts 20-24 virtual

recruitment drives every month. TL E-Hire is one of the very few online portals with positive margins and operating cashflows.

**7. I.M.S.I Staffing Private Limited (IMSI)** was acquired by your Company on November 12, 2019 with an investment of 72.70% stake in equity and additional 21.24% stake was acquired by your Company on February 03, 2020. As on March 31, 2021, your Company held 93.94% Stake in IMSI. IMSI is an IT Infra staffing company having its Registered Office at Dehradun. IMSI is a leader in providing specialized technical manpower for managing IT Infrastructure projects, hardware platforms, OS platforms, developing and maintaining enterprise software applications, networking, data management and storage and internet-web-mobile-cloud platforms. IMSI has over 1860 associates deployed on 50+ pan India projects with revenue of ₹ 5,639.35 Lakhs and PBT of ₹ 695.54 Lakhs, for the current financial year. IMSI is one of the largest manpower outsourcing partners in IT Infra space in India. Over the past 20 years, they have built strong customer relationship and brand recall supported by reliable and efficient delivery engine.

**8. TeamLease Edtech Limited (Formerly known as School Guru Eduserve Private Limited) (TL Edtech)** was an Associate Company w.e.f. December 01, 2017. Your Company had acquired ~36.17% stake on September 08, 2020 and on December 23, 2020 the CCPS (Compulsorily Convertible Preference Shares) held in the name of your Company was converted to Equity. Pursuant to the said acquisition of additional stake and the conversion of CCPS into Equity, your Company now holds 78.43% stake in TL Edtech, thereby making it a subsidiary with effect from the event date. Established in 2012, it is India's premier technology-led specialized academic services organization. TL Edtech partners with Indian Universities to help them provide premium online and virtual courses for their students. TL Edtech solicits partnerships only from State / Central universities that are either an Open University (meant to run Distance Education Programs only) or have a significant Distance Education activity.

Their managed technology platform provides all the components that a University may need to run their Information and Communication Technology services for their students ranging from the hosting platform, the underlying ERP, admission and fee management, the content, the streaming services, student engagement and communication, student servicing and the expertise to manage the platform.

The platform is mobile native and is designed to adopt innovations in machine learning, multi-reality, and analytics to offer personalized and effective learning to millions.

**9. Avantis Regtech Private Limited (Avantis)** is a Joint Venture of your Company w.e.f. November 01, 2018. Established in October 12, 2018, Avantis is a B2B RegTech (Regulatory Technology) Company in India currently with 150 Enterprise customers serving over 5500+ locations across 29 states and 7 union territories in India across 30+ different industries with State of the art cloud enabled SAAS (Software as a Service) Platform equipped with enterprise workflow and document management capabilities.

**10. TeamLease Skills University (TLSU)**, a Public-Private Partnership, with the Government of Gujarat, was among the few Universities selected by the United Kingdom Education Research Initiative (UKERI). In terms of the said initiative, the University has received grants that are to be utilized for faculty development.

Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a Report on the performance and financial position of the subsidiary companies as per the Companies Act, 2013 in the Form AOC-1 is furnished as **Annexure II** to the Board's Report.

## 10. Management Discussion and Analysis (MD&A) Report

Pursuant to the provisions of Regulation 34 of the SEBI LODR Regulations, 2015, the Management Discussion and Analysis capturing your Company's performance, industry trends and other material changes with respect to your Companies and its subsidiaries, wherever applicable, are set out from **pages 158 to 166** in this Annual Report.

The MD&A Report provides a consolidated perspective of economic, social and environmental aspects material to your Company's strategy and its ability to create and sustain value to your Company's key stakeholders and includes aspects of reporting as required by Regulation 34 of the SEBI LODR Regulations, 2015 on Business Responsibility (BR) Report. Statutory section of Business Responsibility (BR) Report is provided from **pages 148 to 157** to this Annual Report.

## 11. Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance as prevalent globally. We have implemented several best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions. Corporate Governance Report for Financial Year 2020-21 is set out in **pages 108 to 147** of this Annual Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under Regulation 34 (3) read with Schedule V of the SEBI LODR Regulations, 2015 is annexed to the Corporate Governance Report.

## 12. Deposits

Your Company has not accepted any deposit and as such no amount of principal and interest were outstanding as on the Balance Sheet date.

## 13. Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are furnished in the notes to the Financial Statements, forming part of this Annual Report.

## 14. Board of Directors, Committees of the Board and Key Managerial Personnel(s) (KMP(s))

### a. Board of Directors

Your Company's Board of Directors comprises of two Executive Directors, four Independent Directors including one Woman Director and the same is detailed in the Report on Corporate Governance, as set out in **103 to 142** of this Annual Report.

### b. Committees of the Board

As required under the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board has formed five Committees viz.

- Audit Committee,
- Corporate Social Responsibility Committee,

- Nomination and Remuneration Committee,
- Risk Management Committee and
- Stakeholders' Relationship Committee

Keeping in view the requirements of the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Pursuant to Section 177(8) of the Companies Act, 2013, the composition of the Audit Committee is disclosed as under:

Sl. No	Members	Designation
1	Mrs. Latika Pradhan	Chairperson (Independent Director)
2	Mr. Narayan Ramachandran	Member (Lead Independent Director)
3	Dr. V. Raghunathan	Member (Independent Director)
4	Mr. Zarir Batliwala	Member (Independent Director)

The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The details of all the Committees along with their composition, number of meetings and attendance at the meeting as set out in Report on Corporate Governance, in **pages 108 to 147** of this Annual Report.

### c. Key Managerial Personnel(s) (KMP(s))

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel(s) (KMP(s)) of the Company are:

No	Name of the KMP(s)	Position held in the Company
1	Mr. Manish Mahendra Sabharwal	Whole Time Director & Chairman
2	Mr. Ashok Reddy	Managing Director
3	Ms. Ramani Dathi	Deputy Chief Financial Officer
4	Ms. Alaka Chanda	Company Secretary and Compliance Officer

**d. Details of Directors and/or Key Managerial Personnel(s) (KMP(s)) who were appointed or have resigned during the year:**

**a. Retirement by Rotation**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Manish Mahendra Sabharwal (DIN: 00969601), Whole Time Director & Chairman of the Company, retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. The details of Mr. Manish Mahendra Sabharwal are furnished in the Notice of the AGM. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming AGM.

**b. Changes during the year under review:**

**i. Executive Directors**

**ii. IDS:**

The Members at the Twentieth (20<sup>th</sup>) AGM of the Company held September 04, 2020 had approved the re-appointment of Mrs. Latika Pradhan (DIN: 07118801), Mr. Narayan Ramachandran (DIN: 01873080) and Dr. V. Raghunathan (DIN: 00254091), as Independent Directors of the Company, for second term for a period of five years till July 07, 2025. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of TeamLease had created the position of Lead Independent Director. The Board had unanimously appointed with effect from July 31, 2020, Mr. Narayan Ramachandran to fulfill the role of Lead Independent Director.

**Key Managerial Personnel(s) (KMP(s)):**

During the year under review, Key Managerial Personnel(s) (KMP(s)) who have tendered their resignation:

Mr. N Ravi Vishwanath (Chief Financial Officer)

During the year under review, Key Managerial Personnel(s) (KMP(s)) who have been appointed:

Ms. Ramani Dathi, Deputy Chief Financial Officer

**Receipt of any commission by MD / WTD from Company or from its holding or subsidiary Company**

The Company has not paid any commission to any of its Directors. The Managing Director & Whole Time Director draw remuneration only from the Company and do not receive any remuneration or commission from any of its subsidiary companies / holding company. Further, none of the subsidiaries of the Company has paid any commission/remuneration to any of the Directors of the Company.

**15. Declaration by Independent Directors**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics. The Independent Directors have also submitted a declaration to the Board on compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

**16. Declaration by the Board on the Independent Directors**

In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015 and possess the requisite integrity, expertise and experience, including the proficiency expected from the Independent Directors appointed on the Board.



As on March 31, 2021 the details of Directors, pertaining to the online proficiency test conducted by IICA are as below:

Sl. No.	Director	Designation	Date of Registration	Online Proficiency Test Requirement	Status of Online Proficiency Test
1	Mr. Manish Mahendra Sabharwal	Whole Time Director & Chairman	27/02/2020	Voluntary	–
2	Mr. Ashok Reddy	Managing Director	Exempted	Exempted	–
3	Mrs. Latika Pradhan	Independent Director	20/12/2019	Mandatory	Successfully qualified on Dec 03, 2020
4	Mr. Zarir Batliwala	Independent Director	20/12/2019	Mandatory	Successfully qualified on Nov 12, 2020
5	Dr. V. Raghunathan	Independent Director	23/12/2019	Voluntary	–
6	Mr. Narayan Ramachandran	Lead Independent Director	03/01/2020	Voluntary	–

## 17. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations, 2015 read with SEBI LODR Amendment Regulations, the Board has carried out the Annual Performance Evaluation (Board Evaluation/Evaluation) of its own performance, the Directors individually as well as the evaluation of the working of its various committees.

In line with the Corporate Governance Guidelines of the Company, Evaluation was conducted for all Board Members as well as on the functioning of the Board and its Committees.

This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and SEBI LODR Regulations, 2015, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings.

### Evaluation of the Board

Evaluation of the Board was based on criteria such as composition and role of the Board, communication and relationships between the Board of Directors, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc.

### Evaluation of Directors

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee

meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

### Evaluation of Committees

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

### Evaluation of the Independent Directors

The Performance Evaluation of the Independent Directors was carried out by the entire Board.

Some of the performance indicators, based on which the Independent Directors are evaluated include:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- Performance of the directors.
- Fulfillment of the independence criteria as specified in these regulations and their independence from the management.

## Evaluation of the Chairman and Managing Director

The Performance Evaluation of the Chairman and Managing Director was carried out by the Independent Directors.

The evaluation process has been explained in detail in the Report on Corporate Governance, as set out in **pages 108 to 147** of this Annual Report. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable the Board Members to discharge their responsibilities. It is specifically informed that directors subject to evaluation did not participate in the own evaluation process.

The Board has received improved ratings on its overall effectiveness, including higher rating on Board communication, relationships and Board Committees. The Board has also noted areas requiring more focus in the future.

## 18. Meetings of the Board

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance.

The schedules of the meetings are circulated in advance, to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through Circular Resolution.

The Board during the Financial Year 2020-21 met eight (8) times. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board are included in the report on Corporate Governance, as set out in **pages 108 to 147** of this Annual Report.

## 19. Auditors

### a. Statutory Auditors

As per the provisions of Section 139 of the Companies Act, 2013, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration Number 101049W/E300004), Bangalore were appointed as Statutory Auditors of the Company in the Annual General Meeting held on July 07, 2017 for a period of five consecutive years, at a remuneration mutually agreed upon by the Board of Directors and Statutory Auditors.

### Auditor's Report

The Auditor's Report on the Financial Statements of the Company for the year ending March 31, 2021 is modified and the details of audit qualification and the Directors' response are as below: The Auditors' Report is enclosed with the Financial Statements forming part of the Annual Report.

Details of audit qualification by Statutory Auditors in Auditor's Report	Explanation of the Board of Directors on audit qualification by Statutory Auditors in Auditor's Report
<p>Attention is invited to Note 46 to the accompanying standalone Ind AS financial statements, more fully explaining management's position in relation to non-provision for possible shortfall in the value of the assets of the Provident Fund Trust managing the Company's defined benefit plan ("Team Lease Employees Provident Fund Trust" or "PF Trust"). The PF Trust has made unsecured investments of ₹ 17,373.78 lakhs in bonds of certain non-banking financial companies ("NBFC Companies"), which are under severe liquidity stress. These bonds fall due for repayment between FY 2020-21 to FY 2026-27. In the absence of sufficient evidence regarding eventual repayment of the bonds (including interest arrears) by the NBFC Companies, we are unable to comment on the appropriateness or otherwise of management's position regarding the non-provisioning for the possible shortfall in the value of the assets of the PF Trust and the consequential impact on the standalone Ind AS financial statements and financial position of the Company as at and for the year ended March 31, 2021. Our audit report for the previous year ended March 31, 2020 was also qualified in respect of this matter.</p>	<p>The management, in consultation with its PF Trust's investment advisor, is of the view that the current reserves of the Trust and future MTM gains including on equity investments will be sufficient to absorb any potential shortfall in Trust accounts.</p> <p>Attention is invited to the accompanying Independent Auditors Report (Standalone/ Consolidated), which is self-explanatory.</p>

**b. Secretarial Auditors**

Section 204 of the Companies Act, 2013, inter-alia, requires every listed company to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board of Directors appointed Mr. Mukesh Siroya, M Siroya & Company, Practicing Company Secretaries, Mumbai, bearing Membership Number: 5682 as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2020-21 and his Report is annexed to this Board Report as **Annexure III**. The Board has also appointed Mr. Mukesh Siroya, M Siroya & Company, Practicing Company Secretaries, Mumbai, bearing Membership Number: 5682 as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2021-22.

**c. Internal Auditors and Internal Audit System**

Your Company has continued its engagement with M/s. Grant Thornton India LLP, to conduct internal audit across the organization. We have also strengthened the in-house internal audit and compliance team to supplement and support the efforts of Grant Thornton India LLP. Your Company conducted 5 (Five) meetings of the Audit Committee during the year under review.

**d. Secretarial Compliance Report of TeamLease Services Limited for the year ended March 31, 2021**

As per Regulation 24A of SEBI LODR Regulations, 2018, read with SEBI Circular dated February 08, 2019; the listed entities are required to submit the Annual Secretarial Compliance Report with the exchange within sixty days of the end of the year. The same was submitted to the Stock Exchange(s) within the stipulated date and a copy of the same is hosted at our website at <https://www.teamleasegroup.com/disclosures-made-stock-exchange-statutory-announcements>.

**e. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the statutory Auditors and the Practicing Company Secretary in their respective Reports**

In connection with the Statutory Audit of the Financial Statements for the year under review, there was one qualification remark in the report by the Statutory Auditors, save and except disclaimer made by them in discharge of their professional obligation, the explanation on the same from the Board of Directors is mentioned in 19 (a) above. No frauds are reported by the Statutory Auditor under sub section (12) of Section 143 of the Companies Act, 2013.

In connection with the Secretarial Audit of the Company for the year under review, there was no qualification, reservation or adverse remark in the report by the Secretarial Auditors, save and except disclaimer made by them in discharge of their professional obligation.

**f. Internal Financial Control**

The Company has laid down certain guidelines, processes and structures, which enable implementation of appropriate internal financial controls across the organization. Such internal financial controls encompasses policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

These include control processes both on manual and IT applications wherein the transactions are approved and recorded. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements in financial reporting due to error or fraud may occur and not be detected.

Also, evaluations of the internal financial controls are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the compliance with the policies or procedures may deteriorate. The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Grant

Thornton, our Internal Auditors. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairperson of the Audit Committee.

**g. Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements**

Your Company has in place adequate financial controls with reference to Financial Statements. During the year under review, such controls were reviewed and

it did not observe any reportable material weakness in the design or operation of financial controls.

**h. Reporting of Frauds**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

**i. Maintenance of Cost Records**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

**20. Material changes and commitments, if any, affecting the Financial Position of Company occurred between the end of the Financial Year to which this Financial Statements relate and the date of the Report.**

The following material changes and commitments have occurred after the closure of the Financial Year 2020-21 till the date of this Report, which would affect the financial position of your Company:

Sl. No	Particulars	Material Changes
1.	Investments made by the Company	Your Company has made investments in the following subsidiary company: a. Avantis Regtech Private Limited of around ₹ 5.39 Crores in Equity and thereby making the stake at the Subsidiary at 59.71 percent.

**21. Acquisition of Companies / Investment in Associates/Subsidiaries during the year under review**

**a. During the year under review, the Company had made the following acquisitions:**

NIL

**b. During the year under review, the Company had made the following Investments:**

SL.NO	FY 2019-20	FY 2020-21
1	Your Company further acquired additional 25% stake in TL E-Hire on July 04, 2019 bringing the total investment to 76% as on March 31, 2020.	Your Company further acquired additional 24% stake in TL E-Hire on June 09, 2020 bringing the total investment to 100% as on March 31, 2021.
2	Your Company acquired additional stake in Avantis through of ₹ 2 crores through CCPS (Compulsorily Convertible Preference Shares) during the year under review thereby leading to an investment of ₹ 7 crores through CCPS (Compulsorily Convertible Preference Shares).	Your Company acquired additional 16.28% Equity stake in Avantis on April 06, 2020 and further acquired 4.89% Equity stake on September 30, 2020 through participation in Rights issue.
3	-	Your Company further acquired additional 36.17% stake in TL Edtech on September 08, 2020 and on December 23, 2020 the CCPS (Compulsorily Convertible Preference Shares) held by your Company was converted into Equity bringing the total investment to 78.43 % as on March 31, 2021.

## 22. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Conservation of Energy	The Company being in the service industry does not have any power generation units and does not produce/generate any renewable or conventional power. However, Company has taken all steps to conserve energy in the work places by using energy saving lamps at all work stations and educating the employees to conserve energy.
Technology Absorption	The Company being in Service Sector has adopted all new technology in terms of software and hardware for the better working and efficient reporting. The Company has an in house Information Technology team which constantly works on the adoption and implementation of new technology into the businesses of the Company.
Foreign Exchange Earnings and Outgo	During the year under review the Company on standalone basis has incurred ₹ 23.86 Lakhs towards expenditure in foreign currencies and earned ₹ NIL Lakhs towards export of services.

## 23. Research and Development

The Company has not undertaken any Research and Development activity in any specific area during the year under review, and hence no cost has been incurred towards same.

## 24. Whistle Blower and Vigil Mechanism Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI LODR Regulations, 2015, a Whistleblower and Vigil Mechanism Policy was established for directors, employees and stakeholders to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code

of conduct or ethics policy, genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairperson of the Audit Committee. The said Policy is hosted on the website of the Company at the following link <https://www.teamleasegroup.com/policy-documents>.

## 25. Statement concerning development and implementation of Risk Management Policy of the Company

Pursuant to Regulation 21 of the SEBI LODR Regulations, 2015, the Company has constituted Risk Management Committee comprising of Mr. Narayan Ramachandran, as the Chairman, Mrs. Latika Pradhan, Mr. Zarir Batliwala and Mr. Ashok Reddy as members to frame,

implement and monitor the Risk Management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

The Company has put in place an enterprise wide Risk Management Framework with an object of timely identification of risks, assessment and evaluation of the same in line with overall business objectives and define adequate mitigation strategy. The Risk Management Committee reviews critical risks on a rotation basis in line with the mitigation progress/ effectiveness and its impact on overall risk exposure of the Company, all the critical risk areas are covered at least once a year. Annually, all critical risk areas identified are re-evaluated.

## 26. Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for Prohibition of Insider Trading (Code), as approved by the Board is in force by the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives and other connected employees from trading in the securities of the Company at the time when there is access to Unpublished Price Sensitive Information (UPSI). The Company also has formulated a comprehensive Policy for Determination of Legitimate Purposes pertaining to Unpublished Price Sensitive Information and a comprehensive Policy for enquiry of leak Unpublished Price Sensitive Information.

## 27. Policies on Appointment of Directors and Remuneration of Directors, Key Managerial Personnel(s) (KMP(s)) and Employees

In accordance with the provisions of Section 134(3) (e) of the Companies Act, 2013 read with Section 178(2) of the Act and Regulation 17 of the SEBI LODR Regulations, 2015, the Board of Directors have framed a policy which

lays down a framework in relation to remuneration of Directors, Key Managerial Personnel(s) (KMP(s)) and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees), Key Managerial Personnel(s) (KMP(s)), Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and independence of Director and criteria for appointment of Key Managerial Personnel(s) (KMP(s)) / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The Company's current Nomination and Remuneration Policy recommends having an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2021 the Board consists of six Directors, majority of them being Independent Directors. Besides the Chairman and Managing Director who are the Promoters, the Board comprises of four Independent Directors. The Board periodically evaluates the need for change in its composition and size. The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 are formulated by the Nomination and Remuneration Committee.

Your Company has also adopted the Policy on appointment of directors and senior management and Policy on Remuneration of Directors, Key Managerial Personnel(s) (KMP(s)) and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Companies Act, 2013, and the same is furnished in **Annexure IV** of this Board's Report.

## 28. Board Diversity

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Policy is available at the web-link: <https://www.teamleasegroup.com/policy-documents>.



## 29. Details of Policy developed and implemented by the Company on its Corporate Social Responsibility (CSR) initiatives

Pursuant to the provisions of Section 135, read with Schedule VII of the Companies Act, 2013, your Directors in their Meeting held on July 09, 2015 have duly constituted the Corporate Social Responsibility Committee. The said Committee comprises of

Sl. No	Members	Designation
1	Dr. V. Raghunathan	Chairman, Independent Director
2	Mr. Manish Mahendra Sabharwal	Member, Executive Director
3	Mr. Ashok Reddy	Member, Executive Director

At TeamLease, CSR has been an integral part of our business since its inception, by the very nature of the business being that of a Social Enterprise. During the year under review the Company formally structured its CSR activity. Today, the Company spans its CSR efforts to promote social and economic inclusion for the marginalized communities with its integrated system:

As part of its initiatives under Corporate Social Responsibility (CSR), the CSR Committee has been entrusted with the prime responsibility of recommending to the Board about Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013, the amount of expenditure to be incurred on CSR activities and monitoring the implementation of the framework of the CSR Policy. The CSR Policy has been placed on the Website of the Company and can be accessed through the <https://www.teamleasegroup.com/policy-documents>

During the year under review, your Company had allocated a limit equivalent to 2% of the average net profits of its three immediately preceding Financial Years for implementation of CSR activities as per the Companies Act, 2013 totaling to a sum of ₹ 175.32 Lakhs towards CSR, however, the Company had an unspent amount of ₹ 78.54 Lakhs as on March 31, 2020. A total of ₹ 253.86 Lakhs has been spent this financial year on CSR consisting of an unspent amount of ₹ 78.54 Lakhs of the previous year along with the an amount of ₹ 175.32 Lakhs for the FY 20-21 towards Educational Initiatives Private Limited (EI).

The details along with the statutory disclosures pursuant to Rule 8 of Companies (Corporate Social Responsibility

Policy) Rules, 2014 with respect to CSR activities forms part of this Annual Report and is annexed herewith as **Annexure V**.

## 30. Policy on Preservation & Archival of Documents

This policy is implemented as per Regulation 9 read with Regulation 30(8) of the SEBI LODR Regulations, 2015, for preservation of the documents inter alia to aid the employees in handling the documents efficiently either in physical form or electronic form. This Policy is intended to provide guidelines for the retention of records, preservation of relevant documents for such duration after which the documents shall be archived and safe disposal/destruction of the documents. This policy is available on the Company's website <https://www.teamleasegroup.com/policy-documents> It not only covers the various aspects on preservation, but also archival of documents.

## 31. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI LODR Regulations, 2015, the Business Responsibility (BR) Report of your Company for the year 2020-21 is set out in **pages 148 to 157** and forms an integral part of this Annual Report.

## 32. Particulars of Contracts or Arrangements made with Related Parties

All transactions entered with Related Parties for the year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel(s) (KMP(s)). All related party transactions are mentioned in the notes to the accounts. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

Company has formulated a Policy on "Materiality of Related Party Transactions" and on "the process of dealing with such transactions", which are in line with the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, 2015. The same is also available on the web-link: <https://www.teamleasegroup.com/policy-documents>.

Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive and also

normal in nature. Further, disclosures on related party contracts and arrangements are made to the Audit Committee and the Board on a quarterly basis. During the year under review, there were no material related party transactions under Regulation 23 (4) of SEBI LODR Regulations, 2015 entered into by the Company, which necessitates approval of Shareholders.

### 33. Extracts of Annual Return

The details forming part of the extracts of Annual Return (Form MGT-9) as on March 31, 2021 is furnished in **Annexure VI** of the Board's Report voluntarily. The Annual Return is also placed on Company's Website under the link <https://www.teamleasegroup.com/>.

### 34. Credit Ratings

The Company continues to maintain its credit ratings.

Pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof, it is informed that the Company continues to maintain its credit ratings.

The Credit Rating Information Services of India Limited (CRISIL) & Investment Information and Credit Rating Agency (ICRA) has continued to assign the ratings to the Company's various credit facilities and debt instruments during the Financial Year 2020-21 and they are as below:

Line of Credit of TeamLease Services Limited (LOC) for ₹ 150.00 crore	Long-term outstanding rating of ICRA A and short-term outstanding rating of ICRA A1 for ₹ 100.00 crore LOC and a long-term rating of ICRA A and short-term rating of ICRA A1 to the additional limit of ₹ 50.00 crore is assigned by ICRA Limited.  The Outlook on the long-term rating continues to be Stable.
Bank loan rating for ₹ 150 Crore bank facilities	Long-term rating of CRISIL A-/ Stable and short-term rating of CRISIL A2+ is assigned by CRISIL.

### 35. Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external agencies, the reviews performed by management and the relevant Board Committees, the

Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2021.

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 36. Compliance with Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### 37. Listing on Stock Exchange

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited since 2016.

### 38. Suspension of Securities of the Company

The securities of the Company have not been suspended from trading in any of the Stock Exchanges.

### 39. Details of Significant and Material orders passed by the Regulators or Courts or Tribunals Impacting the Going concern status and Company's operations in future

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### 40. Shares

#### a. Share Capital

As on March 31, 2021, the Authorized Share Capital of the Company is ₹ 2,330.00 Lakhs and Paid-up Share Capital is ₹ 1,709.68 Lakhs. Your Company has not issued or allotted any shares/convertible securities/shares with differential voting rights during the year under review.

As on March 31, 2021, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

#### b. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

#### c. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

#### d. Issue of Bonus Shares

The Company during the year under review has not issued/ allotted any bonus shares.

#### e. Employee Stock Option Plan (ESOP)

Nomination and Remuneration Committee of the Board, inter alia, administers and monitors the Company's Employees' Stock Option Plan (ESOP Plan) in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The ESOP Plan is implemented through TeamLease ESOP Trust (ESOP Trust).

As at March 31, 2021, the ESOP Trust held 18,155 Equity Shares of the Company. During the year ended March 31, 2021, there has been no material

change in the Company's existing plan and the plan is in compliance with SBEB Regulations. **Note 35** of Standalone Financials Statements to be referred for information as required under SBEB Regulations read with SEBI Circular CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015.

- (a) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and : **NIL**
- (b) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. : **NIL**

The Company has received a certificate from the Statutory Auditor that the Scheme has been implemented in accordance with SEBI Share Based Employee Benefits (SBEB) Regulations, 2014 and in line with the resolutions passed/ approved by the Shareholders in this regard. The said Certificate shall be made available at the Annual General Meeting for inspection by the Members.

### 41. Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in **Annexure VII** of the Board's Report.

Pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of the top 10 employees in terms of remuneration drawn are furnished in **Annexure VIII** of the Board's Report.

There were no employees during the Financial Year drawing remuneration of ₹ 1.02 crore per annum or more whose details form part of **Annexure VIII**. There was one employee who was employed for a part of the Financial Year and have drawn a remuneration of more than ₹ 8.5 lakhs per month whose details form part of **Annexure VIII**.

### 42. Disclosure under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

At TeamLease Services Limited, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour,

gender, religion, political opinion, national extraction, social origin, sexual orientation or age. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year under review: The same were investigated in accordance with procedures prescribed and adequate steps were taken to resolve them.

Particulars	Numbers
No. of complaints pending at the beginning of the Financial Year 2020-21:	0
No. of complaints received during the Financial Year 2020-21:	5
No. of complaints disposed off during the Financial Year 2020-21:	5
No. of complaints pending at the end of the Financial Year 2020-21:	0

### 43. Human Resources

The Company has all required policies under the required laws for the time being in force and as required under the Companies Act, 2013 and SEBI LODR Regulations, 2015 the policies pertaining the Code of Conduct and Business Ethics Policy for employees, senior management team and directors, Policy on Succession Plan and Prevention of Sexual Harassment Policy as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Whistle Blower and Vigil Mechanism Policy, Anti-Bribery Policy, Policy on Insider Trading as required under SEBI Prohibition of Insider Trading Regulations, 1992 and subsequent Amendments made thereon, etc. and all the Policies/Codes have been uploaded in the Website of the Company <https://www.teamleasegroup.com/policy-documents>.

### 44. Statutory Disclosures

None of the Directors of your Company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015.

The Company has received a Certificate pursuant to Schedule V(10)(i) of SEBI LODR Amendment Regulations,

2018 from Mr. Mukesh Siroya, M Siroya & Company, Practicing Company Secretaries, Mumbai, bearing Membership Number: 5682, that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority during the period under review.

The certificate is annexed to the Board's Report as **Annexure IX**.

### 45. Change in Nature of Business

There has been no change in the nature of business of the Company. Your Company continues to one-stop provider of human resources services to various industries and diverse functional roles, offering staffing, payroll processing, recruitment, compliance and training services. Your Company set in motion the larger company mission of 'Putting India to Work' by focusing on its vision of 3 E's – Employment, Employability and E-workforce.

### 46. Cyber Security

In the light of the COVID-19 pandemic, fiscal 2021 was a challenging year for businesses globally. At TeamLease, while our employees operated efficiently as a remote workforce, we continue to keep a close tab on our cyber security posture. We continued our efforts to keep ourselves up to date with cyber security events globally so as to achieve higher compliance and its continued sustenance. We continue to be certified against the Information Security Management System (ISMS) Standard ISO 27001:2013. During the year, our focus on our cyber security personnel's training and reskilling went ahead as planned, together with our initiatives on improving cyber security processes and technologies.

### 47. Declaration on Code of Conduct

The Company has adopted the Code of Conduct for all its Senior Management Personnel and Directors and the same is affirmed by all the Board Members and Senior Management Personnel as required under Regulation 34 read with Part D of Schedule V of the SEBI LODR Regulations, 2015. A declaration signed by Mr. Ashok Reddy, Managing Director of the Company affirming the compliance with the Code of Conduct of the Company for the Financial Year 2020-21 as set out in Corporate Governance Report in **pages 108 to 147** of this Annual Report.

#### 48. MD and CFO Certification

As required by SEBI LODR Regulations, 2015, the Managing Director and Deputy Chief Financial Officer have given appropriate certifications to the Board of Directors and the same forms part of the Corporate Governance Report.

#### 49. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities

laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, economic developments within India and other ancillary factor.

#### 50. Acknowledgements

Your Directors sincerely thank the various Central and State Government Departments especially the Ministry of

Labour, for the help and co-operation extended by them during the year.

The Directors place on record their sincere appreciation towards various organizations and agencies for their continued support. Your Directors also gratefully acknowledge all stakeholders of the Company viz. Shareholders, customers, dealers, vendors, banks and other business partners for the excellent support received from them during the year.

Your directors also wish to place on record their appreciation for the contribution made by the employees at all levels for their unstinted commitment and continued contribution to the Company. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

#### For and on Behalf of Board of Directors

##### Ashok Reddy

Managing Director

DIN: 00151814

##### Latika Pradhan

Director

DIN: 07118801

Place: Bangalore

Date: June 09, 2021

# ANNEXURE I

## Dividend Distribution Policy

### Pursuant to Regulation 43A of SEBI LODR Regulations, 2015

The Dividend Distribution Policy (the Policy) establishes the principles to ascertain amounts that can be distributed to Equity Shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The Policy as administered by the Audit Committee of the Board is verbatim reproduced herewith-

### Commencement:

This Policy shall come into force for accounting periods beginning from April 01, 2019 and the policy is effective from the date of approval of the Board i.e., from January 29, 2019 onwards.

This policy is being adopted and published in compliance with SEBI LODR (Second Amendment) Regulations, 2016.

The Regulation further prescribed that, the Dividend Distribution Policy shall include the following parameters:

- a. the circumstances under which the Shareholders of the listed entities may or may not expect dividend;
- b. the financial parameters that shall be considered while declaring dividend;
- c. internal and external factors that shall be considered for declaration of dividend;
- d. policy as to how the retained earnings shall be utilized; and
- e. parameters that shall be adopted with regard to various classes of shares.

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its Annual Report and on its Website.

### Objective:

- a. This Policy is framed in accordance with the requirement under Regulation 43A of the SEBI LODR Regulations,

2015 (including any amendments thereof).

- b. The Company shall make appropriate disclosures as required under the SEBI LODR Regulations, 2015.

### Definitions:

- a. "Board" means the Board of Directors of TeamLease Services Limited.
- b. "Company" means TeamLease Services Limited.
- c. "Policy" means this Policy, as amended from time to time.
- d. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- e. "Financial Year" shall mean the period starting from 01<sup>st</sup> day of April and ending on 31<sup>st</sup> day of March every year.

### Declaration of Dividend:

The declaration of dividend (including interim dividend) would be subject to compliance with the applicable provisions of the Companies Act, 2013, Rules and Listing Regulations made thereunder as amended from time to time.

### Parameters for Dividend Payout:

#### a. The circumstances under which the Shareholders may or may not expect dividend:

The Company intends to offer maximum return on investment to the Shareholders keeping in mind the underlying growth and future of the Company. However, the Board may not consider to declare any dividend or declare a lower rate of dividend based on the following circumstances:

1. Prospective growth opportunities of the Company;
2. Threats/concerns of the Company;
3. Inadequacy or absence of profits; Capital
4. Higher working capital requirements for business operations of the Company.



**b. Financial Parameters including Internal Factors that shall be considered while declaration of dividend:**

The financial parameters which would be considered while declaration of dividend by the Board are as follows:

1. Profits of the Company;
2. Past dividend pattern;
3. Major capital expenditure to be incurred by the Company;
4. Cash flow requirements of the Company;
5. Debt-equity ratio of the Company;
6. Cost of borrowing of the Company, keeping in view the growth opportunities;
7. Debt obligations of the Company;
8. Investments in new business;
9. Provisioning for financial implications arising out of unforeseen events and/or contingencies;
10. Reputation of the Company;
11. Restrictions/covenants if any, contained in any lender agreements or any other arrangement or agreement entered into by the Company.

**c. External Factors that shall be considered while declaration of dividend:**

Certain external factors could compel the Board of the Company to reflect on the dividend payout for any Financial Year of the Company. Some of the external factors affecting the Company's dividend payment are:

1. Regulatory requirements;
2. Economic environment;
3. Political/geographical situations;
4. Inflation rate;
5. Industry Outlook for future years.

**d. Utilization of Retained Earnings:**

The Company believes in cash retention for growth, expansion and diversification including acquisitions to be made by it, and also as a means to meet contingency requirements. The retained earnings of the Company may be used in any of the following ways:

1. expenditure for working capital;
2. Organic and/or inorganic growth;
3. Investment in new business(es);
4. Additional investment in existing business(es);
5. Declaration of dividend;
6. Capitalisation of shares;
7. Buy back of shares;
8. General corporate purposes, including contingencies;
9. Any other permitted usage as per the Companies Act, 2013.

**e. Parameters adopted to various classes of shares:**

At present the issued, subscribed and paid up capital of the Company comprises only of only one class of share i.e., equity shares.

**Procedure:**

Final dividend is declared at the Annual General Meeting (AGM) of the Shareholders on the basis of recommendations of the Board. The Board may, at its discretion, also declare an interim dividend.

**Other Salient Points:**

Retained Earnings may be used for corporate actions in accordance with applicable laws and for investments towards growth of the business.

This Dividend Distribution Policy shall be applicable to equity shares.

**Board Discretion:**

The Board may recommend special dividend as and when it deems fit. The Board will review the Dividend Distribution Policy of the Company at regular intervals.

**Amendments:**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in compliance with applicable Rules and Regulations framed thereof.

The Dividend Distribution Policy is also hosted on the website of the Company at <https://www.teamleasegroup.com/policy-documents>.

# ANNEXURE II

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

## AOC 1

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

		₹ in Lakhs							
Sl. No	Particulars	Details							
1	Name of the subsidiary	IIJT Education Private Limited (Refer note 2 below)	TeamLease Education Foundation	TeamLease Digital Private Limited (formerly TeamLease Staffing Services Private Limited)	Keystone Business Solutions Private Limited	Evolve Technologies and Services Private Limited	TeamLease E-Hire Private Limited	I.M.S.I Staffing Private Limited	TeamLease Edtech Limited ('TLEL')
2	Date of Acquisition/Incorporation	04.04.2010	27.06.2011	04.07.2016	01.02.2017	01.11.2017	01.08.2018	12.11.2019	09.09.2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR	INR
5	Share capital	800.00	1.00	473.50	4.26	351.825	1.11	531.80	109.91
6	Reserves & surplus (includes other comprehensive income and securities premium)	(624.79)	(310.64)	(1,915.76)	1,073.86	1,714.81	(778.36)	1,385.69	857.03
7	Total assets	289.61	418.82	19,817.68	1,175.11	4,402.59	614.87	2,620.63	1,329.74
8	Total Liabilities (excluding share capital and reserves and surplus)	114.40	728.46	21,259.93	96.99	2,335.96	1,392.12	703.14	362.80
9	Investments (excludes investment in subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL	Nil	82.05
10	Turnover (include inter-company transactions)	14.66	783.31	19,159.78	1,301.83	14,053.95	784.20	5,674.12	1,101.41
11	Profit/(loss) before taxation	(100.24)	(39.28)	(691.71)	155.34	195.34	-532.86	695.54	226.11
12	Provision for taxation	NIL	NIL	(554.75)	(39.69)	25.75	15.74	(174.76)	225.26
13	Profit/(Loss) after taxation	-100.24	(39.28)	(1,246.46)	115.65	169.59	-517.12	520.78	451.37
14	Proposed Dividend	-	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%*	100%**	78.43%***

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – None.
- Names of subsidiaries which have been liquidated or sold during the year: Nil.

However, Subsequent to the year ended 31 March 2021, the Company has entered into a Memorandum of Understanding with Anadya Properties Private Limited, for sale of 100% equity stake in one of its subsidiary company IIJT Education Private Limited (IIJT) at an agreed consideration of ₹ 470.00 lakhs as adjusted for value of net assets / liabilities taken over by the buyer. Accordingly, investment in IIJT has been remeasured at its fair value and disclosed as asset held for sale as at 31 March 2021. Refer note 7(1) to the standalone financial statements.

\*During the year end, the Company has acquired balance stake of 24% in E-Hire at an agreed consideration of ₹ 572.00 lakhs in the month of June, 2020. (Refer note 7(2) to the Standalone Financial Statements)

\*\*During the previous year ended 31 March 2020, the Company entered into share purchase agreement with IMSI and acquired 100% stake at an agreed consideration of ₹ 6,455.55 lakhs. IMSI is engaged in the business of providing staffing services to clients in Information Technology sector. (Refer note 7(5) to the Standalone Financial Statements.)

\*\*\* During the year ended 31 March 2021, the Company entered into a definitive agreement and acquired additional equity stake of 37.14% in TeamLease Edtech Limited ('TLEL') at an agreed consideration of ₹ 434.04 lakhs, thereby increasing the total stake to 78.43% in TLEL on fully diluted basis. Accordingly, TLEL has been accounted as a subsidiary with effect from 09 September 2020. On 23 December 2020, 269,681 CCCPS of TLEL has been converted into equity shares of ₹ 10 each at a premium of ₹ 490.59 per share. Refer note 7(6) to the standalone financial statements.

## Part “B”: Associates and Joint Ventures

Sl. No	Name of associates/joint venture	TeamLease Edtech Limited ('TLEL')(Refer note 2 below)	Avantis Regtech Private Limited
1	Latest audited Balance Sheet Date	31.03.2021	31.03.2021
2	Date on which the associate was associated or acquired	01.12.2017	01.11.2018
3	Shares of associate or joint venture held by the company as on the year end		
	Number	-	3,34,791
	Amount of Investment in associate	-	904.92
	Extent of control%	-	33.33% from April 20 to September 20 and 43.00% from Oct 20 to March 21
4	Description of how there is significant influence	-	Board Composition and More than 20% shareholding on a fully diluted basis
5	Reason why the associate or joint venture is not consolidated	Consolidated	No Control
6	Net worth attributable to shareholding as per latest audited Balance Sheet	-	(7.59)
7	Profit/Loss for the year/period		
	I. Considered in Consolidation	(9.54)	(99.04)
	II. Not Considered in Consolidation	(33.45)	(163.58)

- Names of associates or joint ventures which are yet to commence operations – NA.
- Names of associates or joint ventures which have been liquidated or sold during the year – NA. However During the year ended 31 March 2021, the Company entered into a definitive agreement and acquired additional equity stake of 37.14% in TeamLease Edtech Limited ('TLEL') at an agreed consideration of ₹ 434.04 lakhs, thereby increasing the total stake to 78.43% in TLEL on fully diluted basis. Accordingly, TLEL has been accounted as a subsidiary with effect from 09 September 2020. On 23 December 2020, 269,681 CCCPS of TLEL has been converted into equity shares of ₹ 10 each at a premium of ₹ 490.59 per share. Refer note 7(6) to the standalone financial statements.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

### TeamLease Services Limited

#### Ashok Reddy

Managing Director  
DIN: 00151814

#### Latika Pradhan

Director  
DIN: 07118801

#### Ramani Dathi

Deputy Chief Financial Officer

#### Alaka Chanda

Company Secretary  
M.No. F10911

Place: Bangalore

Date: June 09, 2021

# ANNEXURE III

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
TeamLease Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TeamLease Services Limited (hereinafter called the Company) for the audit period covering the financial year ended March 31, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as may be applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. There is no Overseas Direct Investment or External Commercial Borrowing in the Company; and

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable);
  - (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
  - (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of the following:

- (i) The Equity Listing Agreements entered by the Company with BSE Limited and National Stock Exchange of India; and
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India as amended time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines,

Standards, etc. mentioned herein above, subject to the following observations.

Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the laws applicable to the Company, a list whereof is enclosed herewith as an **Annexure A**.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The following changes in the directors and Key Managerial Personnel that took place during the year under review were carried out in compliance with the provisions of the Act:

- (i) The members at their 20<sup>th</sup> Annual General Meeting held on September 04, 2020 inter-alia, approved the following Special business:
  - (a) re-appointment of Mr. Manish Mahendra Sabharwal (DIN: 00969601) as Whole Time Director & Chairman of the Company;
  - (b) re-appointment of Mr. Ashok Reddy (DIN: 00151814) as Managing Director of the Company;
  - (c) re-appointment of Mrs. Latika Pradhan (DIN: 07118801) as an Independent Director of the Company;
  - (d) re-appointment of Mr. Narayan Ramachandran (DIN: 01873080) as an Independent Director of the Company;
  - (e) re-appointment of Dr. V. Raghunathan (DIN: 00254091) as an Independent Director of the Company;
- (ii) Resignation of Mr. Narayanaswamy Ravi Vishwanath as Chief Financial Officer of the Company w.e.f. conclusion of the business hours of March 23, 2021 and
- (iii) Appointment of Ms. Ramani Dathi as Deputy Chief Financial Officer to head the finance function of the Company w.e.f. March 24, 2021.

Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in certain cases meetings were held through shorter notice after due compliance of the applicable provisions, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation & deliberations at these Meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following significant & material corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) The Board of Directors at their meeting held on May 19, 2020, inter-alia, approved investment of an amount not exceeding ₹ 6,00,00,000 (Rupees Six Crore Only) in one or more tranches in TeamLease E-Hire Private Limited (formerly known as Cassius Technologies Private Limited), a subsidiary of the Company.
- (ii) The members at their 20<sup>th</sup> Annual General Meeting held on September 4, 2020, inter-alia, approved the following Special business:
  - (a) amendment of the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19<sup>th</sup>) AGM of the company held on August 23, 2019; and
  - (b) reclassification of holding(s) of Dhana Management Consultancy LLP and Ms. Anupama Gupta, from "Promoter & Promoter Group Category" to "Public Category".
- (iii) The Board of Directors at their meeting held on December 17, 2020, inter-alia, approved the following:
  - (a) To extend the Corporate Guarantee to ICICI Bank for the loan availed by TeamLease Skills University up to an aggregate overall limit not exceeding ₹ 400 million at any time;
  - (b) To extend Corporate Guarantee to ICICI Bank for the loan availed by Evolve Technologies & Services Private Limited not exceeding ₹ 7.5 Crore; ;
  - (c) To increase existing limit of various cash credit / working capital demand loan facility from ₹ 7 Crore to ₹ 22 Crore availed from ICICI Bank;
  - (d) To avail various cash credit /working capital demand loan facility not exceeding ₹ 18 Crore from Axis Bank; and

- (e) Investments in the Company's joint venture: Avantis Regtech Private Limited for an amount not exceeding ₹ 1.25 Crores in one or more tranches.
- (iv) The Board of Directors at their meeting held on January 28, 2021, inter-alia, approved the enhancement in investment by ₹ 14 Crores in the Company's joint venture; Avantis Regtech Private Limited and Integration of CPO Business.
- (v) The Board of Directors at their Meeting held on March 23, 2021, inter-alia, approved the following:
- a) To invest and/or grant loan, guarantee or security upto ₹ 4 Crores in one or more tranches to TeamLease Edtech Limited, a subsidiary company;
- b) To invest and/or grant loan, guarantee or security upto ₹ 4.50 Crores in one or more tranches to TeamLease E-Hire Private Limited, a subsidiary company.

For **M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**  
Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682C000436376

Date: June 09, 2021

Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure B** and forms an integral part of this report.

## 'Annexure A'

### List of Laws applicable specifically to the Company

1. Industrial Disputes Act, 1947
2. The Payment of Wages Act, 1936
3. The Minimum Wages Act, 1948
4. Employees' State Insurance Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. The Payment of Bonus Act, 1965
7. The Payment of Gratuity Act, 1972
8. The Contract Labour (Regulation & Abolition) Act, 1970
9. The Maternity Benefit Act, 1961
10. The Child Labour (Prohibition & Regulation) Act, 1986
11. The Industrial Employment (Standing Order) Act, 1946
12. The Employees' Compensation Act, 1923
13. The Apprentices Act, 1961
14. Equal Remuneration Act, 1976
15. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
16. Labour Welfare Acts of respective states
17. Profession Tax Acts of respective states
18. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.



**'Annexure B'**

To,  
The Members,  
TeamLease Services Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the ongoing restrictions/advisories issued by the Government of India/Karnataka to contain the spread of Covid-19 pandemic on the movement of people, we have relied on electronic data for verification of the Company books, papers, minute books, forms, returns filed and other records maintained by the Company.

For **M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682C000436376

Date: June 09, 2021

Place: Mumbai

# ANNEXURE IV

## Policy on Directors' Appointment and Remuneration

The Policy on Appointment and Remuneration of Directors and Key Managerial Personnel (the Policy) provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. This Policy is framed pursuant to Section 178 (4) of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations, 2015.

The Policy as administered by the Nomination and Remuneration Committee of the Board is verbatim reproduced herewith-

### 1. Objective:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, as amended from time to time, read along with the applicable Rules thereto. The Key Objectives of the Committee are:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel(s) (hereinafter referred to as KMP(s)) and other employees as may be prescribed under the Companies Act, 2013.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, KMP(s) and other employees as may be prescribed under the Companies Act, 2013.
- iv. To provide to KMP(s) and other employees as may be prescribed under the Companies Act, 2013, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vi. To develop a succession plan for the Board and to regularly review the succession plan;

### 2. Definitions:

- i. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. "Board" means Board of Directors of the Company.

- iii. "Directors" mean Directors of the Company.
- iv. "Company" means TeamLease Services Limited
- v. "Committee" means Nomination and Remuneration Committee of the Company.

### 2.1. Key Managerial Personnel(s) (KMP(s)) mean

- a. Managing Director
- b. Chief Financial Officer;
- c. Company Secretary;
- d. Whole Time Director
- e. Chief Executive Officer
- f. Such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board;

2.2. Other Employees prescribed under the Companies Act, 2013, means personnel of the Company who are members of its core management team being one level below the Board.

### 3. Role of Committee:

#### 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

##### The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP(s) and other employees.

#### 3.2. Policy for appointment and removal of Director, KMP(s) and other employees

##### 3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, and experience of the person for appointment as Director,

KMP(s) or at other level as may be prescribed under the law and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided, that the term of the person holding this position may be extended beyond the age of seventy years with the approval of Shareholders by passing a special resolution based on the explanatory statement annexed to the notice indicating the justification for extension of appointment beyond seventy years.

### 3.2.2. Term /Tenure

#### a) Managing Director/Whole-Time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time, no re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

### 3.2.3. Evaluation:

The Nomination and Remuneration Committee shall carry out yearly Performance Evaluation for all Board members. The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include

- a) performance of the directors; and
- b) fulfillment of the independence criteria as specified in these Regulations and their independence from the management
- c) On the basis of the report of Performance Evaluation, it shall be determined whether to

extend or continue the term of appointment of the Independent Director.

Company Secretary and Compliance Officer will undertake the process for and on behalf of the Nomination and Remuneration Committee and submit the report to Nomination and Remuneration Committee Chairman.

Nomination and Remuneration Committee Chairman will present it to the Board Chairman and discuss it during Board Meeting. He may also discuss it during Independent Directors' Meeting.

### 3.2.4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, or under any other applicable Act, Rules and Regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP(s) or other employee subject to the provisions and compliance of the said Act, Rules and Regulations.

### 3.2.5. Retirement:

The Director, KMP(s) and other employees shall retire as per the applicable provisions of the Companies Act, 2013, and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP(s), other employees in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 3.3.1 Policy relating to the Remuneration for the Whole-Time Director, KMP(s) and other employees:

- a. The remuneration/compensation/commission etc. to the Whole Time Director, KMP(s) and other employees will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/ post approval of the Shareholders of the Company, whenever required.
- b. The remuneration and commission to be paid to the Whole Time Director shall be in accordance with the percentage/slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013.
- c. Increments to the existing remuneration/ compensation structure may be recommended

by the Committee to the Board which would be within the slabs approved by the Shareholders in the case of Whole Time Director.

- d. Where any insurance is taken by the Company on behalf of its Whole Time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e. In case any difficulty or doubt arising in the interpretation or implementation of this policy, the decision of the Chairman / Managing Director of the Company shall be final. In exceptional circumstances, the Chairman / Managing Director shall be authorized to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel(s) (KMP(s)) and other employees; provided however that such actions taken by the Chairman and Managing Director shall be placed before the Committee for ratification in the succeeding Committee Meeting.

### **3.3.2 Remuneration to Whole Time/ Executive/ Managing Director, KMP(s) and other employees:**

#### **a) Fixed Pay:**

The Whole-Time Director/ KMP(s) and such other employees shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc, shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders, wherever required.

#### **b) Minimum remuneration:**

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

#### **c) Provisions for excess remuneration:**

If any Whole-Time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, where required, he / she shall refund such sums to the Company and unless such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **3.3.3. Remuneration to Non- Executive / Independent Director:**

#### **Remuneration / Commission/ Sitting Fee:**

The remuneration / commission / sitting fee, if any paid, shall be fixed as per Articles of Association and the Companies Act, 2013 read with applicable rules.

## **4. Membership:**

- i. The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them being independent.
- ii. Membership of the Committee shall be disclosed in the Annual Report.
- iii. Term of the Committee shall be continued unless terminated by the Board of Directors.

## **5. Chairperson**

- a. Chairperson of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.
- c. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d. Chairperson of the Nomination and remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the Shareholders' queries.

## **6. Frequency of Meetings**

The Nomination and Remuneration Committee shall meet at least once in a year.

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

**7. Committee members' Interests:**

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such Executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. Secretary:**

The Company Secretary or any other nominee of the Company shall act as Secretary of the Committee.

**9. Voting:**

- i. Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Committee Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**10. Duties:****Remuneration**

- a. Determine and agree with the Board the framework or broad policy for the remuneration of the Company's Managing Director /Chief Executive, Chairman, the Executive/ Whole Time Directors, and such other members of the Executive management as it is designated to consider. No Director or Manager shall be involved in any decisions as to their own remuneration;
- b. in determining such policy, take into account all factors which it deems necessary and review and approve for the Managing Director and other Executive Directors on the Board of Directors:
  1. Annual base salary;
  2. Annual incentive bonus, including specific goals and amount;
  3. Equity compensation;
  4. Employment agreements and other service agreements; and
  5. Any other benefits / compensation payable to Managing Director, Executive Directors or Key Management Personnel(s) (KMP(s)); and
  6. To ensure that members of the Executive management of the Company are provided with

appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;

7. Review the performance of the Managing Director and Executive Director on the Board of Directors at such intervals as the Committee may deem fit.
- c. review the ongoing appropriateness and relevance of the Nomination and Remuneration Policy;
- d. approve the design of, and determine targets for, any performance related pay schemes scheme operated by the Company and approve the total annual payments made under such schemes.
- e. review the design of all share incentive plans/ stock options for approval by the Board and Shareholders. For any such plans, determine each year whether options would be granted and if so, the overall amount of such awards, including:-
  - i. the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
  - ii. the conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - iii. the exercise period within which the employee should exercise the option and that the options would lapse on failure to exercise the option within the exercise period;
  - iv. the specified me period within which the employee should exercise the vested options in the event of termination or resignation of an employee;
  - v. the right of an employee to exercise all the options vested in him at one me or at various points of me within the exercise period;
  - vi. the procedure for making a fair and reasonable adjustments to the number of options and the exercise price in case of corporate actions such as right issues, bonus issues, merger , sale of division and others;
  - vii. the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- f. determine the policy for, and scope of, pension arrangements for each Executive Director and other employees;

- g. ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- h. within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each Executive and Non-Executive Director and other employees including bonuses, incentive payments and share options or other share awards, if any;
- i. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the SEBI Guidelines and Companies Act, 2013 and other applicable laws;
- j. review and note annually the remuneration trends across the Company or group;
- k. oversee any major changes in employee benefits structures throughout the Company or group;
- l. ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- m. be exclusively responsible for establishing the selection criteria, selecting, appointing and serving the terms of reference for any remuneration consultants who advise the Committee;
- n. obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

#### 11. Nomination:

- i. Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- ii. give full consideration to succession planning for directors and other employees in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and experience are therefore needed on the Board and in the Company and make consequential recommendation to the Board of Directors.
- iii. keep under review the leadership needs of the organization, both executive and Non-Executive, with a view to ensuring the continued ability of

the organisation to compete effectively in the marketplace;

- iv. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- v. review annually the performance required from Non- Executive Directors. Performance Evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfill their dues;
- vi. ensure that on appointment to the Independent Directors receive a formal letter of appointment stating out clearly what is expected of them in terms of the commitment, Committee service and involvement outside Board meetings;
- vii. The Committee:
  - a. shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance and shall recommend to the Board, all remuneration, in whatever form, payable to Senior Management. (Senior Management as defined under Section 178 of the Companies Act, 2013 and also pursuant to Regulation 16 of SEBI LODR Regulations, 2015 read with its Amendments.)
  - b. shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel(s) (KMP(s)) and other Employees.
  - c. while formulating the policy under clause (b) above ensure that—
    - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
    - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - (c) remuneration to Directors, Key Managerial Personnel and other Employees involves a balance between fixed and incentive pay



reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's Report.

viii. The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both Executive and Non-Executive Directors;
- (b) membership of the Audit Committee in consultation with the Chairperson of that Committee;
- (c) the re-appointment of any Non-Executive and Independent Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- (d) the re-election by Shareholders of any Director under the 'retirement by rotation' provisions in the Company's Articles of Association having

due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

- (e) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the Law and their service contract;
- (f) the appointment of any Director to Executive Director or other office or position of profit within the Company.

## 12. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meetings. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

The Policy on Directors' Appointment and Remuneration is also hosted on the website of the Company at <https://www.teamleasegroup.com/policy-documents>.

# ANNEXURE V

## Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8 (1) of Companies [Corporate Social Responsibility Policy] Rules, 2014]

1. A brief outline of the Company's CSR Policy
- Consequent to the implementation of the Companies Act, 2013, the Company has adopted the CSR Policy through CSR Committee. The CSR Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The Company through its CSR Policy aims to bring improvements in the lives of the communities in and around our operations with an objective to energize and enable them to realize their potential. The guiding principle of TeamLease's CSR programs is "Impact through Empowerment".
- Empowerment results in enabling people to lead a better life. The Company's focus areas are Education and Skill Development.
- This CSR Policy is formulated to meet the CSR objectives set out by the Company as well as the applicable statutory requirements notified by the Ministry of Corporate Affairs through the Act. This CSR Policy shall apply to all CSR activities / projects / programs undertaken by the Company. The CSR activities of the Company shall continuously evolve for a long- term sustainability of business, society and environment at large. CSR shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core values, operations and growth.
- The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:

### 2. The Composition of the CSR Committee

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy.

Sl. No	Name of Director Designation	Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Dr. V. Raghunathan	Chairman-Independent Director	1	1
2	Mr. Manish Mahendra Sabharwal	Member-Executive Director	1	1
3	Mr. Ashok Reddy	Member- Executive Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://www.teamleasegroup.com/policy-documents>
4. Average net profit of the Company for last three Financial Years 8,765.86 Lakhs
5. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) 175.32 Lakhs
6. Details of CSR Financial Year spent during the Financial Year

- a. Total amount spent for the Financial Year 253.86 Lakhs
- b. Amount unspent, if any NIL
- c. Manner in which the amount spent during the Financial Year is detailed below Annexed in Note 1 of this Annual Report on Corporate Social Responsibility (CSR) Activities.
7. The reasons and details for not spending the entire prescribed CSR amount during the preceding three Financial Year under review Your Company had proposed to spend the entire prescribed amount of ₹ 144.61 Lakhs during the Financial Year 19-20, however in light of the unforeseen event of Covid 19 outbreak and circumstances beyond the control of the Company, an amount of ₹ 78.54 Lakhs remained unspent during the Financial Year under review.
- As the company had already identified the projects before the COVID-19 outbreak, in which the unspent funds were proposed to be utilized and the Company is holding the unspent amount for identified projects, your Company had as on March 31, 2020 decided to transfer the same in a designated escrow account of unspent Corporate Social Responsibility Amount(s) of the Company within a period of thirty days from the end of the Financial Year and the same shall be utilized as determined by the CSR Policy of the Company immediately on the ground situation being back to normal, but before the expiry of 3 years from the date of transfer.
- Annexed in Note 2 of this Annual Report on Corporate Social Responsibility (CSR) Activities.
8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, it is confirmed that the CSR Policy has implemented and monitored the CSR initiatives of the Company in line with the CSR objectives and CSR Policy of the Company.

#### Note 1

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project	Amount spent for the project (₹ In Lakhs).	Mode of implementation - Direct (Yes/ No).
01	Transforming CBSE's board exams towards competency-based assessment systems	ii	No	Pan-India	Current Year: 175.32 Previous Year's (Unspent): 49.74*	Yes
02	Lenovo V530-Desktop System for Students	ii	No	1. Local Area: Vadodara Urban & Rural 2. Distt: Vadodara, Narmada, Ratlam State: Gujarat, Madhya Pradesh	6.95*	Yes
03	Industrial FDM 3D Printer to Educational Facilities	ii	No	1. Local Area: Vadodara Urban & Rural 2. Distt: Vadodara, Narmada, Ratlam State: Gujarat, Madhya Pradesh	12.35*	Yes
04	Research and Education	ii	No		9.50*	Yes
<b>TOTAL</b>					<b>253.86</b>	

\*The amount spent pertains to the Financial Year 19-20 that was transferred by the Company on April 29, 2020 in a designated escrow account maintained with Ratnakar Bank Limited, Residency Road, Bangalore Branch. This unspent amount of FY 19-20 was utilized during the FY 20-21.

**Note 2**

Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY 19-20	78.54	78.54		N.A.		NIL**

\*\*Please refer to Note 1 above, the entire unspent amount pertaining to the Financial Year 19-20 that was transferred by the Company on April 29, 2020 in a designated escrow account maintained with Ratnakar Bank Limited, Residency Road, Bangalore Branch is utilized during the FY 20-21.

**For and on behalf of the Board of Directors**

Date: June 09, 2021  
Place: Bangalore

**Dr. V. Raghunathan**  
Chairman – CSR Committee  
DIN: 00254091

**Ramani Dathi**  
Deputy Chief Financial Officer

# ANNEXURE VI

FORM NO. MGT-9

## EXTRACTS OF ANNUAL RETURN

As on Financial Year ended on March 31, 2021

### I. REGISTRATION & OTHER DETAILS:

i. CIN	L74140KA2000PLC118395
ii. Registration Date	02.02.2000
iii. Name of the Company	TeamLease Services Limited
iv. Category/Sub-category of the Company	Category - Public Listed Company - Limited by shares Sub-category - Indian Non-Government Company
v. Address of the Registered office and contact details	6 <sup>th</sup> Floor, BMTC Commercial Complex, 80Ft Road, Koramangala, Bangalore - 560 095 Tel.:+ 91 80 6824 3000 Fax: +91 080 6824 3001 E-mail: <a href="mailto:corporateaffairs@teamlease.com">corporateaffairs@teamlease.com</a> Website: <a href="https://www.teamleasegroup.com">https://www.teamleasegroup.com</a>
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar & Transfer Agent, if any	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), ('KFinTech') Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Telangana, India. Toll Free Number: 1-800-309-4001 Email: <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> Website : <a href="http://www.kfintech.com">www.kfintech.com</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Employment Activities	78200	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IJIT Education Private Limited Office No.6, 3 <sup>rd</sup> Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U72200MH2006PTC218082	Subsidiary	100%	2 (87)
2	TeamLease Education Foundation 6 <sup>th</sup> Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560 095	U80903KA2011NPL130127	Subsidiary	100%	2 (87)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	TeamLease Digital Private Limited Office No.6, 3 <sup>rd</sup> Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U74999MH2016PTC283227	Subsidiary	100%	2 (87)
4	Keystone Business Solutions Private Limited Office No.6, 3 <sup>rd</sup> Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U72200MH2009PTC304689	Subsidiary	100%	2 (87)
5	Evolve Technologies & Services Private Limited Office No.6, 3 <sup>rd</sup> Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U50404MH1991PTC310808	Subsidiary	100%	2 (87)
6	TeamLease E-Hire Private Limited* (Formerly known as Cassius Technologies Private Limited) 8 <sup>th</sup> Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560 095	U72200KA2005PTC113117	Subsidiary	100%	2 (87)
7	I.M.S.I Staffing Private Limited Suite No 2410, Doon Express Business Park, Opp Transport Nagar, Subhash Nagar Dehradun - 248 001	U74999UR2018PTC008906	Subsidiary	93.94%	2 (87)
8	TeamLease Edtech Limited (Formerly known as School Guru Eduserve Private Limited)** Unit No. 903, 9 <sup>th</sup> Floor, Western Edge- II, Western Express Highway, Borivali (East), Mumbai - 400 066	U80301MH2010PTC211390	Subsidiary	78.43%	2 (87)

\*Wholly-owned subsidiary of the Company with effect from June 09, 2020.

\*\* Subsidiary Company with effect from September 08, 2020.

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,916	-	2,916	0.02	-	-	-	-	(0.02)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	24,37,604	-	24,37,604	14.26	14,99,707	-	14,99,707	8.77	(5.49)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>24,40,520</b>	<b>-</b>	<b>24,40,520</b>	<b>14.27</b>	<b>14,99,707</b>	<b>-</b>	<b>14,99,707</b>	<b>8.77</b>	<b>(5.50)</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	44,00,812	-	44,00,812	25.74	43,15,328	-	43,15,328	25.24	(0.50)
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>44,00,812</b>	<b>-</b>	<b>44,00,812</b>	<b>25.74</b>	<b>43,15,328</b>	<b>-</b>	<b>43,15,328</b>	<b>25.24</b>	<b>(0.50)</b>
<b>TOTAL (A)</b>	<b>68,41,332</b>	<b>-</b>	<b>68,41,332</b>	<b>40.02</b>	<b>58,15,035</b>	<b>-</b>	<b>58,15,035</b>	<b>34.01</b>	<b>(6.00)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	16,05,245	-	16,05,245	9.39	19,00,945	-	19,00,945	11.12	1.73
b) Banks / FI	14,863	-	14,863	0.09	317	-	317	0.00	(0.09)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	69,72,711	-	69,72,711	40.78	64,67,518	-	64,67,518	37.83	(2.95)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (AIFs, QIBs)	6,23,952	-	6,23,952	3.65	10,08,417	-	10,08,417	5.90	2.25
<b>Sub-total (B)(1):-</b>	<b>92,16,771</b>	<b>-</b>	<b>92,16,771</b>	<b>53.91</b>	<b>93,77,197</b>	<b>-</b>	<b>93,77,197</b>	<b>54.85</b>	<b>0.94</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,82,791	-	1,82,791	1.07	8,92,797	-	8,92,797	5.22	4.15
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 2 lakh	3,98,818	1,051	3,99,869	2.34	5,73,308	1,051	5,74,359	3.36	1.02
ii) Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh	2,33,015	-	2,33,015	1.36	3,33,260	-	3,33,260	1.95	0.59
c) Others (specify)									
Non Resident Indians	12,143	-	12,143	0.07	11,842	-	11,842	0.07	(0.00)
Clearing Members	1,07,086	-	1,07,086	0.63	10,124	-	10,124	0.06	(0.57)
Trusts**	30,879	-	30,879	0.18	18,155	-	18,155	0.11	(0.07)
Non Resident Indian Non Repatriable	62,772	-	62,772	0.37	51,659	-	51,659	0.30	(0.07)
HUF	10,111	-	10,111	0.06	12,341	-	12,341	0.07	0.01
<b>Sub-total (B)(2):-</b>	<b>10,37,615</b>	<b>1,051</b>	<b>10,38,666</b>	<b>6.08</b>	<b>19,03,486</b>	<b>1,051</b>	<b>19,04,537</b>	<b>11.14</b>	<b>5.06</b>
<b>Total Public (B)</b>	<b>1,02,54,386</b>	<b>1,051</b>	<b>1,02,55,437</b>	<b>59.98</b>	<b>1,12,80,683</b>	<b>1,051</b>	<b>1,12,81,734</b>	<b>65.99</b>	<b>6.00</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,70,95,718</b>	<b>1,051</b>	<b>1,70,96,769</b>	<b>100.00</b>	<b>1,70,95,718</b>	<b>1,051</b>	<b>1,70,96,769</b>	<b>100.00</b>	<b>-</b>

\*\*Trust includes 30,879 shares as on March 31, 2020 and 18,155 shares as on March 31, 2021 held by TeamLease ESOP Trust as per SEBI(Share-Based Employee Benefits) Regulations, 2014. This is non-promoter non-public shareholding.

**(ii) Shareholding of Promoters^**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	HR Offshoring Ventures Pte Ltd.	44,00,812	25.74	-	43,15,328	25.24	-	(0.50)
2	Dhana Management Consultancy LLP*	8,52,413	4.99	-	7,90,520	4.62	-	(0.37)
3	NED Consultants LLP	14,53,449	8.50	-	13,67,965	8.00	-	(0.50)
4	MKS Management Consultancy Services LLP	300	0.00	-	300	0.00	-	-
5	Hansini Management Consultants Private Limited	1,31,442	0.77	-	1,31,442	0.77	-	-
6	Anupama Gupta*	2,916	0.02	-	2,916	0.02	-	-
7	Arati Menon	-	-	-	-	-	-	-

^ Includes Shareholding of Promoter Group also.

\*Dhana Management Consultancy and Anupama Gupta have been Re-classified from "Promoter and Promoter Group Category" to "Public Category" vide approval of the Stock Exchanges dated December 24, 2020.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	HR Offshoring Ventures Pte Ltd.						
	At the beginning of the year			44,00,812	25.74		
	Changes during the year	27-11-2020	Sale	(85,484)	(0.50)	43,15,328	25.24
	At the end of the year					43,15,328	25.24
2	Dhana Management Consultancy LLP*						
	At the beginning of the year			8,52,413	4.99		
	Changes during the year	05-03-2021	Sale	(19,436)	(0.11)	8,32,977	4.87
		12-03-2021	Sale	(32,457)	(0.19)	8,00,520	4.68
		26-03-2021	Sale	(10,000)	(0.06)	7,90,520	4.62
	At the end of the year					7,90,520	4.62
3	NED Consultants LLP						
	At the beginning of the year			14,53,449	8.50		
	Changes during the year	20-11-2020	Sale	(40,000)	(0.23)	14,13,449	8.27
		27-11-2020	Sale	(45,484)	(0.27)	13,67,965	8.00
	At the end of the year					13,67,965	8.00
4	MKS Management Consultancy Services LLP						
	At the beginning of the year			300	0.00		
	Changes during the year			-	-	300	0.00
	At the end of the year					300	0.00

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	Hansini Management Consultants Private Limited						
	At the beginning of the year			1,31,442	0.77		
	Changes during the year			-	-	1,31,442	0.77
	At the end of the year					1,31,442	0.77
6	Anupama Gupta*						
	At the beginning of the year			2,916	0.02		
	Changes during the year			-	-	2,916	0.02
	At the end of the year					2,916	0.02
7	Arati Menon						
	At the beginning of the year			-	-		
	Changes during the year			-	-	-	-
	At the end of the year					-	-

\*Dhana Management Consultancy and Anupama Gupta have been Re-classified from "Promoter and Promoter Group Category" to "Public Category" vide approval of the Stock Exchanges dated December 24, 2020.

#### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	DHANA MANAGEMENT CONSULTANCY LLP ^						
	At the beginning of the year			8,52,413	4.99		
	Changes during the year	05-03-2021	Sale	(19,436)	(0.11)	8,32,977	4.87
		12-03-2021	Sale	(32,457)	(0.19)	8,00,520	4.68
		26-03-2021	Sale	(10,000)	(0.06)	7,90,520	4.62
	At the end of the year					7,90,520	4.62
2	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND						
	At the beginning of the year			7,50,808	4.39		
	Changes during the year	11-12-2020	Sale	(15,106)	(0.09)	7,35,702	4.30
		18-12-2020	Sale	(21,288)	(0.12)	7,14,414	4.18
		25-12-2020	Sale	(7,275)	(0.04)	7,07,139	4.14
		31-12-2020	Sale	(8,117)	(0.05)	6,99,022	4.09
		12-02-2021	Sale	(5,339)	(0.03)	6,93,683	4.06
		19-02-2021	Sale	(18,608)	(0.11)	6,75,075	3.95
	At the end of the year					6,75,075	3.95
3	FIL INVESTMENTS (MAURITIUS) LTD						
	At the beginning of the year			5,65,872	3.31		
	Changes during the year			-	-	5,65,872	3.31

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the end of the year					5,65,872	3.31
4	KOTAK FUNDS - INDIA MIDCAP FUND						
	At the beginning of the year			5,65,243	3.31		
	Changes during the year	14-08-2020	Sale	(45,000)	(0.26)	5,20,243	3.04
		30-09-2020	Sale	(166)	(0.00)	5,20,077	3.04
		09-10-2020	Sale	(15,219)	(0.09)	5,04,858	2.95
		04-12-2020	Sale	(23,817)	(0.14)	4,81,041	2.81
		12-02-2021	Sale	(17,924)	(0.10)	4,63,117	2.71
		26-03-2021	Sale	(12,287)	(0.07)	4,50,830	2.64
		31-03-2021	Sale	(3,000)	(0.02)	4,47,830	2.62
	At the end of the year					4,47,830	2.62
5	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C #						
	At the beginning of the year			5,35,590	3.13		
	Changes during the year	10-04-2020	Purchase	10,756	0.06	5,46,346	3.20
		05-06-2020	Sale	(9,396)	(0.05)	5,36,950	3.14
		12-06-2020	Sale	(6,952)	(0.04)	5,29,998	3.10
		19-06-2020	Sale	(20,940)	(0.12)	5,09,058	2.98
		26-06-2020	Sale	(23,872)	(0.14)	4,85,186	2.84
		30-06-2020	Sale	(1,552)	(0.01)	4,83,634	2.83
		03-07-2020	Sale	(33,454)	(0.20)	4,50,180	2.63
		10-07-2020	Sale	(34,400)	(0.20)	4,15,780	2.43
		24-07-2020	Sale	(1,961)	(0.01)	4,13,819	2.42
		07-08-2020	Sale	(52,612)	(0.31)	3,61,207	2.11
		14-08-2020	Sale	(13,116)	(0.08)	3,48,091	2.04
		21-08-2020	Sale	(2,446)	(0.01)	3,45,645	2.02
		28-08-2020	Sale	(1,35,732)	(0.79)	2,09,913	1.23
		04-09-2020	Sale	(35,224)	(0.21)	1,74,689	1.02
		18-09-2020	Sale	(24,649)	(0.14)	1,50,040	0.88
		25-09-2020	Sale	(40)	(0.00)	1,50,000	0.88
		04-12-2020	Sale	(10,502)	(0.06)	1,39,498	0.82
		18-12-2020	Sale	(15,690)	(0.09)	1,23,808	0.72
		08-01-2021	Purchase	4,718	0.03	1,28,526	0.75
		15-01-2021	Purchase	757	0.00	1,29,283	0.76
		15-01-2021	Sale	(7,807)	(0.05)	1,21,476	0.71
		22-01-2021	Purchase	6,336	0.04	1,27,812	0.75
		29-01-2021	Purchase	4,325	0.03	1,32,137	0.77
		29-01-2021	Sale	(17,144)	(0.10)	1,14,993	0.67
		05-02-2021	Purchase	4,763	0.03	1,19,756	0.70
		12-02-2021	Purchase	21	0.00	1,19,777	0.70
		12-02-2021	Sale	(25,485)	(0.15)	94,292	0.55
		26-02-2021	Purchase	9,408	0.06	1,03,700	0.61
	At the end of the year					1,03,700	0.61

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
6	GOLDMAN SACHS INDIA LIMITED #						
	At the beginning of the year			4,63,025	2.71		
	Changes during the year	24-04-2020	Sale	(43,915)	(0.26)	4,19,110	2.45
		31-07-2020	Sale	(11,342)	(0.07)	4,07,768	2.39
		25-09-2020	Sale	(37,267)	(0.22)	3,70,501	2.17
		06-11-2020	Sale	(7,899)	(0.05)	3,62,602	2.12
		05-02-2021	Sale	(25,748)	(0.15)	3,36,854	1.97
	At the end of the year					3,36,854	1.97
7	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS EQUITY PORTFOLIO						
	At the beginning of the year			4,46,760	2.61		
	Changes during the year			-	-	4,46,760	2.61
	At the end of the year					4,46,760	2.61
8	INDUS INDIA FUND (MAURITIUS) LIMITED						
	At the beginning of the year			4,40,416	2.58		
	Changes during the year	10-04-2020	Sale	(8,994)	(0.05)	4,31,422	2.52
		17-04-2020	Sale	(1,140)	(0.01)	4,30,282	2.52
		24-04-2020	Sale	(1,630)	(0.01)	4,28,652	2.51
		01-05-2020	Sale	(7,240)	(0.04)	4,21,412	2.46
		08-05-2020	Sale	(1,456)	(0.01)	4,19,956	2.46
		15-05-2020	Sale	(998)	(0.01)	4,18,958	2.45
		03-07-2020	Purchase	27,166	0.16	4,46,124	2.61
		31-07-2020	Sale	(617)	(0.00)	4,45,507	2.61
		07-08-2020	Sale	(13,938)	(0.08)	4,31,569	2.52
		14-08-2020	Sale	(24,632)	(0.14)	4,06,937	2.38
		21-08-2020	Sale	(2,015)	(0.01)	4,04,922	2.37
		28-08-2020	Sale	(11,893)	(0.07)	3,93,029	2.30
		04-09-2020	Purchase	9,997	0.06	4,03,026	2.36
		09-10-2020	Purchase	266	0.00	4,03,292	2.36
		30-10-2020	Purchase	337	0.00	4,03,629	2.36
		06-11-2020	Purchase	642	0.00	4,04,271	2.36
		11-12-2020	Purchase	5,931	0.03	4,10,202	2.40
		18-12-2020	Purchase	5,987	0.04	4,16,189	2.43
		25-12-2020	Purchase	12,037	0.07	4,28,226	2.50
		05-03-2021	Purchase	15,522	0.09	4,43,748	2.60
		12-03-2021	Sale	(1,336)	(0.01)	4,42,412	2.59
		19-03-2021	Sale	(9,752)	(0.06)	4,32,660	2.53
	At the end of the year					4,32,660	2.53
9	MAX LIFE INSURANCE COMPANY LIMITED A/C						
	At the beginning of the year			18,709	0.11		
	Changes during the year	10-04-2020	Purchase	8,065	0.05	26,774	0.16

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		01-05-2020	Purchase	1,657	0.01	28,431	0.17
		05-06-2020	Purchase	6,666	0.04	35,097	0.21
		14-08-2020	Purchase	1,63,374	0.96	1,98,471	1.16
		21-08-2020	Purchase	1,213	0.01	1,99,684	1.17
		11-09-2020	Sale	(3,480)	(0.02)	1,96,204	1.15
		18-09-2020	Purchase	21,565	0.13	2,17,769	1.27
		16-10-2020	Purchase	35,144	0.21	2,52,913	1.48
		27-11-2020	Purchase	1,10,984	0.65	3,63,897	2.13
		01-01-2021	Sale	(5,549)	(0.03)	3,58,348	2.10
		05-02-2021	Sale	(2,089)	(0.01)	3,56,259	2.08
		19-02-2021	Purchase	3,691	0.02	3,59,950	2.11
		19-03-2021	Purchase	22,718	0.13	3,82,668	2.24
		26-03-2021	Purchase	16,239	0.09	3,98,907	2.33
		31-03-2021	Purchase	11,385	0.07	4,10,292	2.40
	At the end of the year					4,10,292	2.40
10	FRANKLIN INDIA SMALLER COMPANIES FUND						
	At the beginning of the year			4,08,284	2.39		
	Changes during the year	04-12-2020	Sale	(10,000)	(0.06)	3,98,284	2.33
		12-02-2021	Sale	(3,518)	(0.02)	3,94,766	2.31
	At the end of the year					3,94,766	2.31
11	FRANKLIN TEMPLETON INVESTMENT FUNDS #						
	At the beginning of the year			3,90,746	2.29		
	Changes during the year	24-07-2020	Sale	(1,12,200)	(0.66)	2,78,546	1.63
		07-08-2020	Sale	(2,78,546)	(1.63)	-	-
	At the end of the year					-	-
12	EMERGING MARKETS GROWTH FUND, INC. ^						
	At the beginning of the year			3,06,763	1.79		
	Changes during the year	29-05-2020	Sale	(19,326)	(0.11)	2,87,437	1.68
		09-10-2020	Purchase	8,968	0.05	2,96,405	1.73
		16-10-2020	Purchase	59,368	0.35	3,55,773	2.08
	At the end of the year					3,55,773	2.08
13	GOLDMAN SACHS TRUST - GOLDMAN SACHS EMERGING MARKETS EQUITY FUND ^						
	At the beginning of the year			3,42,202	2.00		
	Changes during the year			-	-	3,42,202	2.00
	At the end of the year					3,42,202	2.00

^ Not in the list of Top 10 shareholders as on 01/04/2020. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2021 or during the year.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2021. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01/04/2020 or during the year.



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Narayan Ramachandran - Lead Independent Director						
	At the beginning of the year			2,500	0.01		
	Changes during the year			-	-	2,500	0.01
	At the end of the year					2,500	0.01
2	Ravi Vishwanath - CFO*						
	At the beginning of the year			42,882	0.25		
	Changes during the year			-	-	42,882	0.25
	At the end of the year					42,882	0.25
3	Ms. Ramani Dathi - Deputy Deputy Chief Financial Officer**						
	At the beginning of the year			89	0.00		
	Changes during the year	19-06-2020	Allotment under ESOP	750	0.00	839	0.00
		25-12-2020	Purchase	145	0.00	984	0.01
	At the end of the year					984	0.01

Note: None of the Directors and KMPs of the Company (excluding as reported above) held any Share during the year.

\* Resigned as CFO w.e.f. March 23, 2021.

\*\*Appointed as Deputy CFO w.e.f. March 24, 2021.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding Deposits*	Unsecured Loans	Deposits	₹ in Lakhs
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,487.71	-	-	6,487.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,487.71</b>	<b>-</b>	<b>-</b>	<b>6,487.71</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	6,486.33	-	-	6,486.33
<b>Net Change</b>	<b>6,486.33</b>	<b>-</b>	<b>-</b>	<b>6,486.33</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1.38	-	-	1.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1.38</b>	<b>-</b>	<b>-</b>	<b>1.38</b>

\*Comprises of Bank Overdraft and Term Loans from Banks

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Ashok Reddy	Mr. Manish Mahendra Sabharwal	
		Managing Director	Whole Time Director & Chairman	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Fixed Component)	35.70	27.50	63.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify (Variable Component)	19.00	14.00	33.00
	<b>Total (A)</b>	<b>54.70</b>	<b>41.50</b>	<b>96.20</b>
	Ceiling as per the Companies Act, 2013			901.40

Note: Gross Salary mentioned in the table is the amount accrued during the FY 2020-21.

### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mrs. Latika Pradhan <sup>^</sup>	Mr. Narayan Ramachandran <sup>^</sup>	Dr. V. Raghunathan <sup>^</sup>	Mr. Zarir Batliwala	
1	Independent Directors					
	Fee for attending board committee meetings	14.00	13.60	14.00	12.00	53.60
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>14.00</b>	<b>13.60</b>	<b>14.00</b>	<b>12.00</b>	<b>53.60</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>14.00</b>	<b>13.60</b>	<b>14.00</b>	<b>12.00</b>	<b>53.60</b>
	<b>Total Managerial Remuneration*</b>					<b>149.80</b>
	Overall Ceiling as per the Act					Sitting Fees is within the limits specified under the Act.

\* Total Remuneration to Managing Director, Whole Time Director and other Directors (Being the total of A and B).

<sup>^</sup> Re-appointed as Independent Directors w.e.f. from July 08, 2020.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

		Key Managerial Personnel			₹ in Lakhs
Sl. No.	Particulars of Remuneration	Mr. Ravi Vishwanath*	Ms. Ramani Dathi**	Ms. Alaka Chanda	Total Amount
		CFO	CFO	CS	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Fixed Component)	67.78	1.11	21.16	90.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	0.76***	-	43.41
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify (Variable Component)	20.00	-	2.32	22.32
	<b>Total</b>	<b>87.78</b>	<b>1.87</b>	<b>23.48</b>	<b>155.78</b>

Note: Gross salary mentioned in the table is the amount accrued during the FY 2020-21.

\* Resigned as CFO w.e.f. March 23, 2021.

\*\*Appointed as Deputy CFO w.e.f. March 24, 2021.

\*\*\*The ESOP Component for FY 20-21 is ₹ 43.41 Lakhs, pro-rated to ₹ 0.76 Lakhs from the Date of Appointment.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					
NIL					
There were no penalties/punishments/compounding of offences for the year ended March 31, 2021.					

## ANNEXURE VII

### DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant clause u/r 5(1)	Prescribed Requirement Name and Designation	Particulars			
		Remuneration of Directors/ KMPs for the Financial Year 2020-21	Median Salary	Ratio of the remuneration of each Director to the median remuneration of the employees	% increase in Remuneration in the Financial Year 2020-21
I & II	Ashok Reddy, Managing Director*	54,70,200	2,97,601	18.38	-50.5%
	Manish Mahendra Sabharwal, Executive Director & Chairman**	41,50,204	2,97,601	13.95	-50.6%
	Latika Pradhan, Independent Director	14,00,000	2,97,601	4.70	154.5%
	Narayan Ramachandran, Independent Director	13,60,000	2,97,601	4.57	172.0%
	V. Raghunathan, Independent Director	14,00,000	2,97,601	4.70	150.0%
	Zarir Batliwala	12,00,000	2,97,601	4.03	224.3%
	Ravi Vishwanath, Chief Financial Officer	87,78,789	2,97,601	29.50	-61.7%
	Ramani Dathi, Dy. Chief Financial Officer***	1,86,671	2,97,601	0.63	Non Comparable
	Alaka Chanda, Company Secretary	23,48,573	2,97,601	7.89	8.5%
III	Percentage increase in the median remuneration of employees in the financial year	Median Remuneration during the year was ₹ 2,97,601. The median remuneration decreased by 15.92%.			
IV	Number of permanent employees on the rolls of company	976 Core Employees as on March 31, 2021			
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	a) Average decrease in remuneration of employees other than the Managerial Personnel – 15.84%. b) Average decrease in remuneration of Managerial Personnel – 51.42%.			

Prescribed Requirement		Particulars			
Relevant clause u/r 5(1)	Name and Designation	Remuneration of Directors/ KMPs for the Financial Year 2020-21	Median Salary	Ratio of the remuneration of each Director to the median remuneration of the employees	% increase in Remuneration in the Financial Year 2020-21
VI	The key parameters for any variable component of remuneration availed by the directors	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.			
VII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.			

Sl. No.	Name and Designation	Remuneration (Fixed)	Remuneration (Variable: Annual Performance Pay)
1	Mr. Ashok Reddy, Managing Director*	₹ 35,70,000	₹ 19,00,200
2	Mr. Manish Mahendra Sabharwal, Whole Time Director & Chairman**	₹ 27,50,004	₹ 14,00,200

\*\*\*Ms. Ramani Dathi was appointed as Deputy CFO of the Company w.e.f. March 24, 2021.

## ANNEXURE VIII

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### Top 10 employees in terms of remuneration drawn during the year:

E-CODE	EMPLOYEE NAME	DESIGNATION	EDUCATIONAL QUALIFICATION	AGE	EXP IN YEARS	DATE OF COMMENCEMENT OF EMPLOYMENT	REMUNERATION IN FISCAL 2020 (IN LAKHS)	PREVIOUS EMPLOYMENT AND DESIGNATION & NATURE OF EMPLOYMENT
T6087	Ms. Ramani Dathi	Deputy Chief Financial Officer	B.Com, CA	35	16	March 24, 2014	97.11 *	Deloitte Engagement Manager
00024	Rituparna Chakraborty	Executive Vice President	PGDM	46	21	January 06, 2003	83.97	Monster, Key Accounts Manager
T9952	Prashant Singh	Vice President	B.Com, Diploma in Marketing Management, MBA, Marketing	46		January 02, 2019	62.76	Smollan India Limited, Business Head - Operations
00193	Neeti Sharma	Senior Vice President	Master of Arts	50	30	July 26, 2004	55.37	APTECH Ltd - AGM
00001	Mr. Ashok Reddy	Managing Director	B.Com, PGDM	51	23	January 01, 2007	54.70	Director, India Life
T10052	Kaushik Banerjee	Vice President	B.Sc, M.Sc, MBA	40	20	March 15, 2019	56.56	Quikr India Pvt. Ltd. Vice President & National Sales Head
T4568	Sushobhan Baral	Vice President	B.Com	56	31	January 24, 2011	54.62	CPP Assistance Services Pvt Ltd, Head - Finance
T8862	Krishnendu Chatterjee	Vice President	BA	43	22	September 11, 2017	50.99	JP Morgan, Vice President
T10276	Balasubramanian A	Vice President	MBA	34	12	June 10, 2019	50.60	OLA (ANI Technologies pvt. Ltd.), Assistant Director
T5670	Mr. Manish Mahendra Sabharwal	Whole Time Director & Chairman	B.Com, MBA	52	25	April 01, 2013	41.50	CEO, Hewitt Outsourcing (Asia), Singapore, Permanent Employee

\* Inclusive of ESOP Component

Note:

- The details in the above table are on accrual basis for better comparability with the Key Managerial Personnel(s) (KMP(s)) remuneration disclosures included in other sections of this Annual Report.
- Employees mentioned above are neither relatives of any director of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- During the year under review, Ms. Priya Gopalakrishnan, Head – Human Resources, was associated as employee of the Company for a part of the Financial Year (November 04, 2020 to March 31, 2021) and her last drawn remuneration was ₹ 8,56,800/-. She continues to be associated with the Company as on date of the Report.
- No employees employed throughout the financial year, was in receipt of remuneration for the year which, in the aggregate, was more than 1.02 crores and above per annum and posted in India.



# ANNEXURE IX

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI LODR Regulations, 2015)

To,  
The Members of  
**TeamLease Services Limited**  
6<sup>th</sup> Floor, BMTC Commercial Complex,  
80 Feet Road, Koramangala,  
Bangalore - 560095

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TeamLease Services Limited bearing CIN L74140KA2000PLC118395 and having registered office at 6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560095 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Directors	DIN	Date of appointment in Company
1	Mr. Ashok Reddy	00151814	03.09.2015
2	Mr. Manish Mahendra Sabharwal	00969601	02.02.2000
3	Dr. V. Raghunathan	00254091	09.07.2015
4	Mr. Narayan Ramachandran	01873080	09.07.2015
5	Mrs. Latika Pradhan	07118801	09.07.2015
6	Mr. Zarir Batliwala	01028343	29.03.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: In view of the restrictions imposed by the Government of India/Maharashtra/Karnataka on the movement of people to contain the spread of Covid-19 pandemic, which led to the lockdown, we have relied on electronic data for verification of certain records as the physical verification was not possible.

For **M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682C000436398

Date: June 09, 2021

Place: Mumbai

# CORPORATE GOVERNANCE REPORT

## Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI LODR Regulations, 2015

Your Company is committed to the principles of 'Accountability', 'Transparency' and 'Fairness' in its dealing with Stakeholders. Accordingly, in the endeavor to take balanced care of Stakeholders, your Company adheres to good corporate governance practices in its business processes. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company's terms of appointment with Independent Directors suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013. These Codes and terms of appointment are available on the Company's website and can be accessed at <https://www.teamleasegroup.com>.

Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting Stakeholders expectations. At TeamLease Services Limited (TeamLease/ the Company), it is imperative that our Company's affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our Stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its Stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

For ensuring sound Corporate Governance practices, the Government of India has put in place, a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Global trends and some governance failures across the world drive the demand for a high quality of governance practices. Besides complying with the statutorily prescribed Corporate Governance practices, the Company has voluntarily adopted and evolved various practices of governance conforming to ethical and responsible standards of business. Certain recommendations of the recent SEBI constituted Kotak Committee have also been adopted by the Company

even before they are mandated. The amended norms are aimed to encourage Companies to 'adopt best practices on Corporate Governance'. The pillars of Corporate Governance of TeamLease are based on:

### Accountability

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mind-set of end-to-end ownership throughout the organization. By means of openness and transparency, we consider ourselves accountable to the entire universe of Stakeholders including our clients, employees, Shareholders, vendors, government agencies, society, medical community, customers and business partners, and supply chain participants.

### Transparency

For us, transparency is the key to healthy self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long standing trust among our Stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

### Fairness

We practice fair play and integrity, in our transactions with all Stakeholders, both within and outside the organization. We conduct ourselves in the most equitable manner.

### Competent Leadership and Management

We believe that dynamic, diverse and experienced Board with focus on excellence plays a pivotal role in organization's corporate governance aspirations. In view of this, we endeavour to maintain Board composition that brings healthy balance of skills, experience, independence, assurance, growth mind-set and deep knowledge of the sector.

### Empowerment

The empowerment of leaders and employees is an important step in enabling high performance and developing leadership capability within the Company. They define a common vocabulary and approach for building leadership within the Company.

Our governance conforms to global standards through continuous evaluation and benchmarking. The broad tenets the Company follows are:

- Transparent procedures, practices and decisions based on adequate information.
- Compliance with all relevant laws in letter and spirit.
- High levels of disclosures to disseminate corporate, financial and operational information to all Stakeholders.
- Policies on tenure of Directors, Rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Constitution of various Committees such as Audit, Nomination and Remuneration, Risk Management, Corporate Social Responsibility, Stakeholders' Relationship etc.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Meetings of Independent Directors without the presence of any Non-Independent / Executive Directors and members from the management to identify areas, where they need more clarity or information and for open and transparent discussions and placing these before the Board and Management.
- Formal induction schedule and familiarization programme for new Board members that enable them to meet individually with the top management team, etc.
- Regular reviews and establishing effective meeting practices that encourage active participation and contribution from all members.
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities.
- Well-defined corporate structure that establishes checks, balances and delegates decision making to appropriate levels in the organization though the Board always remains in effective control of affairs.

## **A Report on Compliance with Corporate Governance principles as prescribed under SEBI LODR Regulations, 2015 is given below:**

### **I. Company's philosophy on Corporate Governance**

Corporate Governance is an effective tool to bring integrity and transparency in terms of reporting so as to protect the interest of all the Stakeholders of the Company. Keeping this in mind, the Companies Act, 2013,

SEBI LODR Regulations, 2015 read with its Amendments have laid down provisions so as to ensure that the effective Corporate Governance is implemented by the Corporates, beyond the legal compliance. TeamLease is committed to bring in effective Corporate Governance so as to ensure a strong relationship with the Stakeholders by providing the truthful internal information on how the company is being run or managed. The Management/ Board of Directors is considerate to adopt the system of effective communication on the disclosures that are essential for the Stakeholders through proper channels with utmost integrity and transparency.. The Company has adopted the philosophy of Corporate Governance not only to satisfy the spirit of law, but also in the spirit of the letter of law.

TeamLease believes that good Corporate Governance emerges from the application of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

At TeamLease, we also consider it as our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as leadership and governance of the Company.

Corporate governance at TeamLease Services Limited is implemented through robust board governance processes, internal control systems and processes, and strong audit mechanisms. These are articulated through Company's Code of Business Conduct, Corporate Governance Guidelines and charters of various subcommittees of the Board and Company's Disclosure Policy. TeamLease Services Limited's corporate governance practices can be described through the following four layers:

- Governance by the Shareholders
- Governance by Board of Directors
- Governance by Committees of Board, and
- Governance through Management Process

### **II. Shareholders**

The Companies Act, 2013 and SEBI LODR Regulations, 2015 prescribe the governance mechanism by Shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions. Your Company follows a robust process to ensure that the Shareholders of the Company are well informed of Board decisions both on financial and non-financial information and adequate notice with a detailed explanation is sent to the Shareholders well in advance to obtain necessary approvals.

### III. Board of Directors

In terms of the Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it discharge its responsibility of strategic supervision of the Company as trustees to the Shareholders. The Board of Directors ('the Board') is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings for strategic guidance and advice.

The Company's day to day affairs are managed by competent management team under the able supervision of the Board.

Since the Company has the Executive Chairman to preside the Board, the constitution of Board is such that not less than fifty percent of the Board comprises of Independent Directors. The Company has one Woman Director in its Board and hence Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(a) of the SEBI LODR Regulations, 2015. The Board believes that the current size is appropriate, based on the Company's present volume of operations and nature of business.

#### A. Roles, Responsibilities and Duties of the Board

The Board of Directors is the apex body constituted by Shareholders and is vested with the powers of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company, and has been steering the Company towards achieving its business objectives. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its Stakeholders.

The duties of Board of Directors have been enumerated in SEBI LODR Regulations, 2015, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

#### B. Chairman:

The Chairman acts as the leader of the Board and presides over the meetings of the Board and the Shareholders. The primary responsibility is to ensure that collectively Board is effective in its task of setting and implementing the Company's strategy. He

oversees the conduct of the Board and ensures that it adheres to the statutory requirements and good governance practices in letter and spirit.

His role, inter alia, includes to:

- Provide leadership to the Board & preside over all Board & General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company's strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

#### C. Managing Director (MD)

The day to day management of the operations rest with the MD. He is responsible for the business performance, driving growth and implementation of strategic decisions taken at the Board level. As the MD of the Company, his priorities include articulating TeamLease Services Limited's long-term strategy based on organic & inorganic initiatives, defining innovation agenda for the Company, balancing growth imperatives with the margin and return on capital thresholds, executing Company's roadmap to maintain momentum across the markets in which it operates, augmenting the capabilities in operations and support functions, and building a strong talent focused organization ready to take on the challenges. The MD works under the supervision of the Board of Directors and is vested with the sufficient power of the management to undertake day to day affairs.

#### D. Non-Executive Directors including Independent Directors play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter-alia, includes to:

- Impart balance to the Board by providing independent judgement.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements

## E. Composition of the Board

As on March 31, 2021, the Board of Directors has 6 members, consisting of four Independent Directors and two Executive Directors. Mr. Manish Mahendra Sabharwal is the Whole Time Director & Chairman and Mr. Ashok Reddy is the Managing Director of your Company. The Independent Directors are renowned professionals drawn from diverse fields possessing requisite qualification and experience in general corporate management which enable them to contribute effectively to your Company and enhance the quality of Board decision making process. The Independent Directors annually provide a Certificate of Independence in accordance with the applicable laws which is taken on record by the Board.

The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the SEBI LODR Regulations, 2015. The Company has an optimum combination of Executive and Non-Executive Directors.

The names and categories of Directors, the number of Directorships and Committee positions held by them are tabulated below:

Composition and Directorship(s) / Committee Membership(s) / Chairmanship(s) as on March 31, 2021:

Sl. No	Name of the Director	Designation	Category	No. of Directorship(s) and Committee(s) Membership(s)/ Chairpersonship(s) (excluding the Company)		
				Other Directorship(s)*	Committee Membership**	Committee Chairpersonship
1.	Mr. Manish Mahendra Sabharwal	Whole Time Director & Chairman	Promoter & Executive Director	1	-	-
2.	Mr. Ashok Reddy	Managing Director	Promoter & Executive Director	-	-	-
3.	Mrs. Latika Pradhan	Independent Director	Independent Director	2	3	1
4.	Mr. Narayan Ramachandran	Lead Independent Director	Independent Director	-	-	-
5.	Dr. V. Raghunathan	Independent Director	Independent Director	-	-	-
6.	Mr. Zarir Batliwala	Independent Director	Independent Director	-	-	-

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\*\* As required by Clause 26 of the SEBI LODR Regulations, 2015, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (Listed and Unlisted).

Notes:

- None of the Directors hold Directorships in more than 20 companies including 10 public limited companies and private companies which are either subsidiary or holding company of a public company pursuant to Section 165 of the Companies Act, 2013.
- None of the Directors hold membership in more than 10 committees or chairpersonship of more than 5 committees as required under Regulation 26 of the SEBI LODR Regulations, 2015.
- The Directorship/Committee membership is based on the disclosures received from the Directors as on March 31, 2021.
- No director has any inter-se relationship with other Directors.

## F. Changes in the Composition of the Board

- The Members at the Twentieth (20<sup>th</sup>) AGM of the Company held September 04, 2020 had re-appointed Mr. Ashok Reddy (DIN: 00151814), Managing Director of the Company in accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company who had retired by rotation and being eligible had offered for reappointment.
- The Members at the Twentieth (20<sup>th</sup>) AGM of the Company held September 04, 2020 had approved the re-appointment of Mrs. Latika Pradhan (DIN: 07118801), Mr. Narayan Ramachandran (DIN: 01873080) and Dr. V. Raghunathan (DIN: 00254091), as Independent Directors of the

Company, for second term for a period of five years till July 07, 2025. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of TeamLease had created the position of Lead Independent Director. The Board had unanimously appointed with effect from July 31, 2020, Mr. Narayan Ramachandran to fulfill the role of Lead Independent Director.

- iii. Members had approved re-appointment of Mr. Manish Mahendra Sabharwal the Whole Time Director & Chairman of the Company till March 31, 2022 and Mr. Ashok Reddy as the Managing Director of the Company till August 30, 2025, eligible for re-appointment.

#### Resignations or removal of the Directors, if any:

None of the Directors resigned during the year under review.

#### G. Appointment of Independent Directors

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation.

Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and SEBI LODR Regulations, 2015.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The template

of the letter of appointment is available on our website at <https://www.teamleasegroup.com/policy-documents>.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics. The Independent Directors have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

#### H. Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015 and possess the requisite integrity, expertise and experience, including the proficiency of the Independent directors appointed on the Board. The Independent Directors have also submitted a declaration to the Board of compliance of inclusion of name in Data Bank maintained by Indian Institute of Corporate Affairs (IICA) pursuant to Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019

As on March 31, 2021 the details of Directors, pertaining to the online proficiency test conducted by IICA are as below:

Sl. No.	Director	Designation	Date of Registration	Online Proficiency Test Requirement	Status of Online Proficiency Test
1	Mr. Manish Mahendra Sabharwal	Whole Time Director & Chairman	27/02/2020	Voluntary	–
2	Mr. Ashok Reddy	Managing Director	Exempted	Exempted	–
3	Mrs. Latika Pradhan	Independent Director	20/12/2019	Mandatory	Successfully qualified on Dec 03, 2020
4	Mr. Zarir Batliwala	Independent Director	20/12/2019	Mandatory	Successfully qualified on Nov 12, 2020
5	Dr. V. Raghunathan	Independent Director	23/12/2019	Voluntary	–
6	Mr. Narayan Ramachandran	Lead Independent Director	03/01/2020	Voluntary	–

#### I. Number of Independent Directorships

As per Regulation 17A of the SEBI LODR Regulations, 2015 Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

#### J. Policy for Selection and Appointment of Directors and their Remuneration

Nomination and Remuneration Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration. The said Policy forms part of Directors' Report as **Annexure IV**.

#### K. Criteria of Selection of Independent Directors

The Nomination and Remuneration Committee considers, inter alia, the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- Qualification, expertise and experience in their respective fields.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- Diversity of thought, experience, knowledge, perspective and gender in the Board.
- Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively. The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

Further pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified SEBI LODR Regulations, 2015 read with Amendments thereof and that they are independent of the management.

#### L. List of core skills/expertise/competencies

Further pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof, below are the list of core skills/expertise/competencies identified by the Board of Directors for the year under review as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

Sl. No.	Directors	Category	Core skills/expertise/competencies identified by the Board of Directors	Available with the Board
1	Mr. Manish Mahendra Sabharwal, Mr. Ashok Reddy, Mr. Narayan Ramachandran, Mrs. Latika Pradhan, Dr. V. Raghunathan	Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions	Yes
2	Mr. Manish Mahendra Sabharwal, Mr. Narayan Ramachandran	Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities	Yes



Sl. No.	Directors	Category	Core skills/expertise/competencies identified by the Board of Directors	Available with the Board
3	Mr. Manish Mahendra Sabharwal, Mr. Ashok Reddy, Mr. Narayan Ramachandran, Mrs. Latika Pradhan, Dr. V. Raghunathan, Mr. Zarir Batliwala.	Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth	Yes
4	Mr. Manish Mahendra Sabharwal, Mr. Ashok Reddy, Mr. Narayan Ramachandran, Mrs. Latika Pradhan, Dr. V. Raghunathan, Mr. Zarir Batliwala	Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans	Yes
5	Mr. Manish Mahendra Sabharwal, Mr. Ashok Reddy, Mr. Narayan Ramachandran, Mrs. Latika Pradhan, Dr. V. Raghunathan, Mr. Zarir Batliwala	Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices	Yes
6	Mr. Manish Mahendra Sabharwal, Mr. Ashok Reddy, Mr. Narayan Ramachandran, Mrs. Latika Pradhan, Dr. V. Raghunathan, Mr. Zarir Batliwala.	Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation	Yes
7	Mr. Manish Mahendra Sabharwal, Mr. Ashok Reddy, Mr. Narayan Ramachandran, Mrs. Latika Pradhan, Dr. V. Raghunathan, Mr. Zarir Batliwala.	Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide	Yes

#### M. Other listed entities where our Board Members are Director and the Category of Directorship

Pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof, the details of the Listed Entities where our Board Members are Director(s) as on March 31, 2021 and the Category of Directorship are given below:

Sl. No.	Name of the Director	Name of the Company (Other Listed Entity)	CIN	Category of Directorship	Member of the Committee(s)	Chairmanship of the Committee(s)
1	Mr. Manish Mahendra Sabharwal	Pennar Industries Limited	L27109AP1975PLC001919	Director	-	-
2	Mr. Ashok Reddy	-	-	-	-	-
3	Mrs. Latika Pradhan	Mafatlal Industries Limited	L17110GJ1913PLC000035	Director	1	-
4	Mr. Narayan Ramachandran	-	-	-	-	-
5	Dr. V. Raghunathan	-	-	-	-	-
6	Mr. Zarir Batliwala	-	-	-	-	-

#### IV. Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through Circular Resolutions. The Circular Resolutions are noted at the subsequent Board Meeting. Video conferencing facility is offered to facilitate Directors to participate in the Meetings of the Board and of Committees, as and when required.

##### A. Information Flow to the Board Members

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our Quarterly Financial Statements and Annual Financial Statements are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition, specific cases of acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board for their approval.

As a system, in most cases, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board Members are taken and considered while preparation of agenda and documents for the Board meeting.

Detailed agenda is sent to each Director at least 7 days in advance of Board and Committee meetings. All material information is incorporated in the agenda along with supporting documents and relevant presentations. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Video conferencing facilities are provided to enable Directors who are unable to attend the meetings in person, to participate in the meeting via video conferencing.

The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investment and exposure limits, compliance

reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board also reviews major legal issues, minutes of meeting of various Committees of the Board and subsidiary companies, significant transactions and arrangements entered into by the subsidiary companies, adoption of financial results, transaction pertaining to purchase or disposal of properties, major accounting provisions and write-offs, corporate restructuring details of any joint ventures or collaboration agreement, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public product liability, and information on recruitment of Senior Officer just below the Board level of Key Management Personnel.

##### B. Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI LODR Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

##### C. Post-Meeting Follow-up System

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

The Company Secretary records minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to Board /Committee members within 15 days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The Minutes are entered in the Minute Books within 30 days from the conclusion of the meeting and signed by the Chairman at the subsequent meeting.

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/divisions. Action taken Report on decisions/minutes

of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committee for noting.

Apart from Board members and the Company Secretary, the Board and Committee meetings are also attended by the Chief Financial Officer and wherever required by the heads of various corporate functions.

#### D. Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

#### V. Number of Board meetings, Attendance of the Directors at Meetings of the Board and the Annual General Meeting:

During the year April 01, 2020 to March 31, 2021, the Board of Directors met eight (8) times. The gap between

any two Board meetings during this period did not exceed one hundred and twenty days as stipulated under Section 173 (1) of the Companies Act, 2013 and Regulation 17 (2) of SEBI LODR Regulations, 2015 and the Secretarial Standards by ICSI.

Sl. No.	Type of Meeting.	Date of the meeting
1	Board Meeting	May 19, 2020
2	Board Meeting	June 09, 2020
3	Board Meeting	July 31, 2020
4	Board Meeting	November 10, 2020
5	Board Meeting	December 17, 2020
6	Board Meeting	January 28, 2021
7	Board Meeting	February 09, 2021
8	Board Meeting	March 23, 2021

\*The Meetings were held through Video Conferencing.

#### A. Attendance of Directors at Board Meetings and at Annual General Meeting:

Sl. No.	Director	No. of Board Meetings		Attendance at last AGM (September 04, 2020)
		Held during Directorship	Attended	
1	Mr. Manish Mahendra Sabharwal	8	8	No
2	Mr. Ashok Reddy	8	8	Yes
3	Mrs. Latika Pradhan	8	8	Yes
4	Mr. Narayan Ramachandran	8	8	Yes
5	Dr. V. Raghunathan	8	8	Yes
6	Mr. Zarir Batliwala	8	8	Yes

#### B. Discussions with Independent Directors and External Auditors

The Board's policy is to regularly have separate meetings with Independent Directors and External Auditors of the Company, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

#### VI. Shareholding of Non-Executive Directors

None of the Non-Executive Directors except Mr. Narayan Ramachandran, Lead Independent Director held 2500 Shares in the Company during the year ended March 31, 2021.

#### VII. Pecuniary Relationship

There were no pecuniary relation or transactions of Non-Executive Directors vis-a-vis the Company other than the

sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

#### VIII. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors of your Company met once during the Financial Year under review, on June 08, 2020 without the presence of Non-Independent Directors and members of the management. The meeting was conducted in an informal and flexible manner to enable the Independent Directors to inter alia, discuss matters pertaining to review of performance of Non Independent Directors and the Board as a whole, review the performance of the Chairman of the Company after taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All Independent Directors had attended the Independent Directors meeting.

## IX. Directors' Induction and Familiarization

At the time of appointment, the Company conducts familiarization programmes for an Independent Director through meetings with key officials such as Executive Chairman and Managing Director, Chief Financial Officer, Head of Human Resources, General Counsel, Company Secretary and other senior business leaders. During these meetings, presentations are made on the roles and responsibilities, duties and obligations of the Board members, Company's business and strategy, financial reporting, governance and compliances and other related matters. Details regarding familiarization programme imparted by the Company for the year under review is available on our website at <https://www.teamleasegroup.com/policy-documents>.

As part of ongoing training, the Company schedules quarterly meetings of business heads and functional heads with the Independent Directors. During these meetings, comprehensive presentations are made on the various aspects such as business models, new strategic initiatives, risk minimization procedures, recent trends in technology, changes in domestic industry scenario, and regulatory regime affecting the Company. These meetings also facilitate Independent Directors to provide their inputs and suggestions on various strategic and operational matters directly to the business and functional heads.

The provision of an appropriate induction program for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Company Secretary is responsible for ensuring that such induction and training programs are extended to Directors. The Independent Directors, from time to time, request the Management to provide detailed understanding of any specific project, activity or process of the Company. The Management provides such information and training either at the meeting of Board of Directors or otherwise. The induction process is designed to:

- a. build an understanding of the Company, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive induction and training provided as part of the familiarization program, the Independent Directors are also taken through various business and functional sessions during the pre-Board Meeting sessions to discuss strategy. The details of familiarization program are available on the Company's website at <https://www.teamleasegroup.com/policy-documents>.

The TeamLease Code of Conduct and Business Ethics Policy for members of the Board and Senior Management Personnel is in place, mentioning the duties, obligations and responsibilities and the same is available on the website of the Company under the following link <https://www.teamleasegroup.com/policy-documents>.

The Company has also formed the Board Diversity and the same is adopted by the Board of Directors along with the policy on the evaluation of the performance of the directors and the same is available on the website of the Company with the following link <https://www.teamleasegroup.com/policy-documents>.

## X. Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and Executive / Non-Executive / Independent Directors.

In terms of the requirements of the Companies Act, 2013 and pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations, 2015, read with SEBI LODR Amendment Regulations, the Board carried out the Annual Performance Evaluation of all the Directors individually, Board Committees and the Board as a whole. During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. It is specifically informed that directors subject to evaluation did not participate in the own evaluation process.

The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members.

The Nomination and Remuneration Committee also formulated the additional criteria of independence and independent judgment for the assessment of the performance of Independent Directors along with other criteria such as qualification, experience relevant to the industry, knowledge & competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution and integrity as required under the guidelines provided by SEBI in respect of Board Evaluation.

Some of the performance indicators, based on which the Independent Directors are evaluated include:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- performance of the directors.
- fulfillment of the independence criteria as specified in these regulations and their independence from the management:

The criteria for the performance evaluation included the following:

- The Board – Structure, composition and quality of Board, Board meeting schedule, agenda and collaterals, board meeting practices and overall board effectiveness.
- Board Committees – Composition, charter, information flow and effectiveness of the meetings, recommendation to the Board, etc.
- Individual Directors – Attendance at the meetings, preparedness for discussion, quality of contribution, engagement with fellow board members, KMP(s) and senior management, etc.

- The Chairman - The Chairman was additionally evaluated on few parameters such as leadership provided to the Board, promoting effective participation of all board members in the decision making process, etc.

The Independent Directors had their meeting on June 08, 2020 to assess the performance of the Board and committees as a whole and for the assessment of Executive Chairperson, Executive Director, Non-Executive Director, Board and Committees as a whole.

The Board was largely satisfied with the effectiveness and governance standards as well as the performance of the Board, board committees, and the individual Directors. Suggestions of the board members to further strengthen the Board effectiveness were noted and taken up for implementation.

## XI. Succession Planning

We have an effective mechanism for succession planning which focuses on orderly succession of Directors, including Executive Directors and other senior management team and executive officers. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board.

## XII. Committees of the Board

The Board of Directors have constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.






















The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Board supervises the execution of its responsibilities by the Committee and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers/function heads are invited to present various details called for by the Committee at its meeting.

Committees of the Board are as under:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Risk Management Committee

## Committee Matrix

 Chairperson  Chairman  Member	Audit Committee	Nomination And Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
<b>Mrs. Latika Pradhan</b> (Independent Director)	 (09-07-2015)				 (09-07-2015)
<b>Mr. Narayan Ramchandran</b> (Lead Independent Director)	 (09-07-2015)				 (10-11-2020)
<b>Dr. V. Raghunathan</b> (Independent Director)	 (16-04-2016)	 (08-08-2017)	 (17-01-2016)	 (09-07-2015)	
<b>Mr. Zarir Batliwala</b> (Independent Director)	 (10-11-2020)	 (25-05-2019)			 (10-11-2020)
<b>Mr. Manish Mahendra Sabharwal</b> (Executive Director)			 (09-07-2015)	 (03-09-2015)	
<b>Mr. Ashok Reddy</b> (Executive Director)			 (09-07-2015)	 (03-09-2015)	

**A. Audit Committee**

The Audit Committee has been constituted in terms of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI LODR Regulations, 2015.

The Committee meets at the frequent intervals depending upon the requirements. The Audit Committee comprises of the following members on the date of reporting:

Mrs. Latika Pradhan	Chairperson (Independent Director)
Mr. Narayan Ramachandran	Member (Lead Independent Director)
Dr. V. Raghunathan	Member
Mr. Zarir Batliwala	(Independent Director)

**Objectives of the Audit Committee:**

The primary objective of the Committee is to Assist the Board with oversight of:

- i. The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures;
- ii. Compliance with legal and regulatory requirements;
- iii. The Company's independent auditors' professional qualifications and independence;
- iv. The performance of the Company's independent auditors and internal auditors; and
- v. Acquisitions and investments made by the Company.

**Audit Committee Policy:**

In India, we are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Regulation 18 of the SEBI LODR Regulations mandate that listed companies adopt an appropriate audit committee policy. The Committee is guided by the Policy adopted by the Board, available on the Company's website at <https://www.teamleasegroup.com/policy-documents>.

Extracts of Terms of Reference of Audit Committee Charter

The Audit Committee meets at frequent intervals and the terms of reference of the Audit Committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations, 2015 covers points as mentioned below:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its Financial Statements are correct, sufficient and credible;
- 2) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the Financial Statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to Financial Statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- 6) Reviewing, with the management, the Quarterly, Half-Yearly and Annual Financial Statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue,



- etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed Offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties;
  - 9) Scrutinizing of inter-corporate loans and investments;
  - 10) Valuing of undertakings or assets of the Company, wherever it is necessary;
  - 11) Evaluating of internal financial controls and risk management systems;
  - 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  - 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 15) Discussing with internal auditors on any significant findings and follow up there on;
  - 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors;
  - 19) Reviewing the functioning of the whistle blower mechanism;
  - 20) Reviewing the management discussion and analysis of financial condition and results of operations;
  - 21) Approving the appointment of the Chief Financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
  - 22) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - 23) reviewing the utilization of loans and/ or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - 24) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
  - 25) Statement of Deviations:
    - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI LODR Regulations, 2015.
    - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI LODR Regulations, 2015.
- The Audit Committee Policy/Charter/Terms of Reference is hosted at the website of the Company at <https://www.teamleasegroup.com/policy-documents>
- Audit Committee Governance Mechanism:**
- The Committee is comprised solely of independent directors and fulfills the requirements of:
- Audit committee charter
  - Section 149 and 177 of the Companies Act, 2013
  - Regulation 18 of the Listing Regulations

The Committee, to carry out its responsibilities efficiently and transparently, relies on the Management's financial expertise and that of the internal and independent auditors. The Management is responsible for the Company's internal control over financial reporting and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the Generally Accepted Auditing Principles and for issuing a report based on the audit.

### Details of Audit Committee Meetings

The Audit Committee met five (5) times during the Financial Year ended March 31, 2021 on June 09, 2020; July 31, 2020; November 10, 2020, January 28, 2021 and February 09, 2021. The Audit Committee Meetings were held with gap of not more than 120 days between two consecutive meetings as required under the provisions of the Companies Act, 2013 and SEBI LODR Regulations, 2015.

### Details of members and their attendance at the Audit Committee meetings:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mrs. Latika Pradhan	Chairperson	5	5
Mr. Narayan Ramachandran	Member	5	5
Dr. V. Raghunathan	Member	5	5
Mr. Zarir Batliwala (appointed w.e.f. November 10, 2020)	Member	2	2

Cases of non-acceptance by the Board of Directors, of any recommendation of the Audit Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof: **NIL**

### B. Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 and Part D of Schedule II of SEBI LODR Regulations, 2015.

#### Objectives and Responsibilities of the Nomination and Remuneration Committee:

- Assist the Board in discharging its responsibilities relating to compensation of the Company's executive directors, Key Managerial Personnel (KMP) and senior management.
- Evaluate and approve the adequacy of the compensation plans, policies, programs and succession plans for the Company's executive directors, KMP and senior management.
- Formulate criteria for determining Board composition, Board effectiveness, Board succession, and independent functioning of the Board.

- Oversee the Company's nomination process for the KMP and senior management and identify through a comprehensive selection process, individuals qualified to serve as directors, KMP and senior management consistent with the criteria approved by the Board.
- Recommend the appointment and removal of directors, for approval at the AGM.
- Evaluate the performance of the Board, including committees and individual directors.
- Leadership development and succession planning of the organization.
- Develop and maintain corporate governance policies applicable to the Company.
- Devise a policy on Board diversity and sustainability.

#### Nomination and Remuneration Committee Policy:

In India, we are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Regulation 19 of the SEBI LODR Regulations mandate that listed companies adopt an appropriate NRC committee policy. The Committee is guided by the Policy adopted by the Board, available on the Company's website, at <https://www.teamleasegroup.com>.

[com/policy-documents](#) and is also part of this Annual Report in **Annexure IV**.

#### **Nomination and Remuneration Committee Governance Mechanism:**

The Committee is comprised solely of independent directors and fulfills the requirements of:

- Nomination and remuneration committee Policy
- Section 178 of the Companies Act, 2013
- Regulation 19 of the Listing Regulations

The Committee oversees key processes through which the Company recruits new members to its Board, and the processes through which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management. The Board amended the charter of the nomination.

The Committee meets at the frequent intervals depending upon the requirements. Nomination and Remuneration Committee comprises of the following members of the Board on the date of reporting:

Mr. Narayan Ramachandran	Chairman (Lead Independent Director)
Mrs. Latika Pradhan	Member (Independent Director)
Dr. V. Raghunathan	Member (Independent Director)
Mr. Zarir Batliwala	Member (Independent Director)

Extracts of Terms of Reference of Nomination and Remuneration Committee Charter:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the Independent Directors and the Board;
3. Devising a policy on Board Diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;
5. Determining the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
6. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component including the matter relating to ESOP grants as per the scheme formulated by the Company;
7. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
8. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
9. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of Performance Evaluation of Independent Directors.

The members of the Nomination and Remuneration Committee met three (3) times during the year under review i.e. on June 09, 2020, July 30, 2020 and February 09, 2021.

#### **Details of members and their attendance at the meetings are as follows:**

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Narayan Ramachandran	Chairperson	3	3
Mrs. Latika Pradhan	Member	3	3
Dr. V. Raghunathan	Member	3	3
Mr. Zarir Batliwala	Member	3	3

Cases of non-acceptance by the Board of Directors, of any recommendation of the Nomination and Remuneration Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof:

**NIL**

Besides, the Nomination and Remuneration Committee periodically reviews the composition of the Board to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all Shareholders and the Company.

The process of appointing a director/KMP(s)/ Senior Management Personnel is, that when a vacancy arises or is expected the Committee will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate bring to the Board/Company and the balance of skills added to that of which the existing members hold.

### C. Stakeholders' Relationship Committee

Pursuant to provisions of Section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the SEBI LODR Regulations, 2015, Stakeholders' Relationship Committee has been constituted by the Board. The Committee meets at frequent intervals depending upon the requirements.

Stakeholders' Relationship Committee comprises of the following members of the Board on the date of reporting:

Dr. V. Raghunathan	Chairman (Independent Director)
Mr. Manish Mahendra Sabharwal	Member (Executive Director)
Mr. Ashok Reddy	Member (Executive Director)

#### Objectives & Responsibilities of Stakeholders' Responsibility Committee:

1. Redressal of Shareholders'/Investors' Grievances;
2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/ consolidation/renewal;

4. Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by the Company to its Shareholders;
5. Carrying out any other function as prescribed under Listing Obligations and Disclosure Requirements, Regulations, 2015 issued by SEBI; and
6. The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

#### Purpose of Stakeholders' Responsibility Committee:

The purpose of the Committee is to assist the Board and the Company to oversee the various aspects of interests of stakeholders of the Company.

#### Stakeholders' Responsibility Committee Policy:

In India, we are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Regulation 20 of the SEBI LODR Regulations mandate that listed companies adopt an appropriate SRC committee policy. The Committee is guided by the Policy adopted by the Board, available on the Company's website, at <https://www.teamleasegroup.com/policy-documents>.

#### Stakeholders' Responsibility Committee Governance Mechanism:

The Committee comprises three independent directors and a whole-time director and performs the functions as required by:

- Section 178 of the Companies Act, 2013 and rules framed thereunder
- Regulation 20 of the Listing Regulations and other regulations and laws, as applicable
- Stakeholders relationship committee policy

Cases of non-acceptance by the Board of Directors, of any recommendation of the Stakeholders' Relationship Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof:

**NIL**

The members of the Stakeholders' Relationship Committee met once (1) during the year under review i.e., on June 09, 2020. Details of members and their attendance at the meetings are as follows:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Dr. V. Raghunathan	Chairperson	1	1
Mr. Manish Mahendra Sabharwal	Member	1	1
Mr. Ashok Reddy	Member	1	1

#### D. Corporate Social Responsibility (CSR) Committee

The CSR Committee is formed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the relevant Rules. The CSR Committee meets at frequent intervals depending upon the requirements.

##### Objectives & Responsibilities of Corporate Social Responsibility Committee:

The primary objective of the Committee is to assist the Board in fulfilling its corporate social responsibility. The Committee has overall responsibility for:

- Identifying the areas of CSR activities.
- Recommending the amount of expenditure to be incurred on the identified CSR activities.
- Implementing and monitoring the CSR Policy from time to time.
- Coordinating with Infosys Foundation or other such agency in implementing programs and

executing initiatives as per the CSR Policy of the Company.

- Reporting progress of various initiatives and in making appropriate disclosures on a periodic basis.
- Other items / matters prescribed under applicable law or prescribed by the Board of directors from time to time.

Corporate Social Responsibility comprises of the following members of the Board on the date of reporting:

Dr. V. Raghunathan	Chairman (Independent Director)
Mr. Manish Mahendra Sabharwal	Member (Executive Director)
Mr. Ashok Reddy	Member (Executive Director)

During the year under review the Committee met once (1) i.e., on January 28, 2021. Details of members and their attendance at the meetings are as follows:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Dr. V. Raghunathan	Chairperson	1	1
Mr. Manish Mahendra Sabharwal	Member	1	1
Mr. Ashok Reddy	Member	1	1

Cases of non-acceptance by the Board of Directors, of any recommendation of the Corporate Social Responsibility Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof: **NIL**

Details of Policy developed and implemented by the Company on its Corporate Social Responsibility (CSR) initiatives forms part of the Board's Report at **Page No. 90**

#### E. Risk Management Committee

In terms of Regulation 21 of SEBI LODR Regulations, 2015, the Company has constituted a Risk

Management Committee. The composition of the Committee is in conformity with SEBI LODR Regulations, 2015.

##### Objectives & Responsibilities of Risk Management Committee:

The primary objectives of the Committee are to assist the Board in the following:

- To assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks.

- ii. To monitor and approve the enterprise risk management framework and associated practices of the Company.
- iii. To periodically assess risks to the effective execution of business strategy by reviewing key leading indicators in this regard.
- iv. To periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- v. To evaluate significant risk exposures of the Company and assess the Management's actions to mitigate the exposures in a timely manner.
- vi. To evaluate risks related to cybersecurity and ensure appropriate procedures are in place to mitigate these risks in a timely manner.
- vii. To coordinate its activities with the audit committee in instances where there is any overlap with audit activities.
- viii. To review and reassess the adequacy of the Charter periodically and recommend any proposed changes to the Board for approval.
- ix. To ensure access to any internal information necessary to fulfill its oversight role and obtain advice and assistance from internal or external legal, accounting or other advisors.

#### Risk Management Committee Governance Mechanism:

The Committee is comprised solely of independent directors and fulfills the requirements of:

- Risk management committee charter
- Regulation 21 of the Listing Regulations

The Committee meets at frequent intervals depending upon the requirements.

Risk Management Committee comprises of the following members of the Board on the date of reporting:

Mr. Narayan Ramachandran	Chairman (Lead Independent Director)
Mr. Ashok Reddy	Member (Executive Director)
Mrs. Latika Pradhan	Member (Independent Director)
Mr. Zarir Batliwala	Member (Independent Director)

#### Extracts of Terms of reference of Risk Management Committee Charter

The Risk Management Committee shall:

- review and guide Risk Management Policy of the Company
- ensure that appropriate systems of control are in place, in particular, systems for risk management
- ensure that, while rightly encouraging positive thinking, it does not result in over-optimism that either leads to significant risks not being recognized or exposes the company to excessive risk
- have ability to, step back to assist executive management by challenging the assumptions underlying risk appetite

In adherence to the present regulatory mandates described herein above, the Risk Management Committee of the Board of Directors of the Company shall:

- Ensure an organization relevant and perpetual Risk Management framework for identifying, assessing, responding to, monitoring or controlling and reporting risks.
- Apply an organized, thorough approach to effectively anticipate and mitigate the probable or realistic risks that could endanger achievement of key objectives.
- Ensure systemic risk evaluation, categorization, and prioritization thereof to assign relative importance to identified risks to determine where appropriate management attention is required.
- Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
- Practice the highest level of control measures by installing mechanisms and tools, with involvement of all process-owners across the organization, to ensure that all applicable legal, regulatory, and business requirements are up-to-date and met.

- Develop alternative/ recommended courses of action for critical risks and control the probability of occurrence of the risk, keeping ready contingency plans for selected risks where the consequences of the risks are determined to be high.
- Review the activities, status, and results of the risk management process on a periodic and event-driven basis with appropriate levels of management and resolve issues i.e. gauging potential risk exposure and addressing the same with appropriate corrective action.
- Obtain, wherever required or desirable, the advice, opinion and assistance from outside legal, accounting, or other advisors, as necessary, to aid informed decision making.
- Co-ordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue) relating to risk management policy or practice.

The role and responsibilities of the Risk Management Committee shall include such other items as may

be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

The policy is also uploaded on the website of the Company at <https://www.teamleasegroup.com/policy-documents>.

#### **Risk Management Committee Charter Framework:**

Identify the risk

Rate and Quantify the risks on 'impact' and 'vulnerability' factor

Develop mitigation plan for each risk with relevant efforts and result metrics

Implement the risk mitigation plan post Board approval

Monitor and Review the mitigation plans

During the year under review the Committee met two (2) times i.e., on September 25, 2020 and March 23, 2021.

Details of members and their attendance at the meetings are as follows:

Name	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Narayan Ramachandran (appointed w.e.f. November 10, 2020)	Chairman	1	1
Mr. Ashok Reddy	Member	2	2
Mrs. Latika Pradhan	Member	2	2
Mr. Zarir Batliwala (appointed w.e.f. November 10, 2020)	Member	1	1

Cases of non-acceptance by the Board of Directors, of any recommendation of the Risk Management Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof: **NIL**

### **XIII Details of Company Secretary and Compliance Officer**

Ms. Alaka Chanda, bearing Membership Number F10911 is the Company Secretary and Compliance Officer of the Company since October 30, 2018.

The Shareholders may send their concerns to Ms. Alaka Chanda at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com).

#### **Role of the Company Secretary and Compliance Officer (CS & CO) In Overall Governance Process**

Functions of the CS & CO are discharged by the Group Company Secretary. The CS & CO plays a key role in

ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The CS & CO ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The CS & CO is primarily responsible to assist and advice the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and to facilitate convening of meetings. The CS & CO interfaces between the management and regulatory authorities for governance matter.

### **XIV Details of Shareholders Complaints received solved and pending share transfers**

The total number of complaints received and resolved during the year ended March 31, 2021, was none. There were no complaints outstanding as on March 31, 2021.



The number of pending share transfers and pending requests for dematerialization as on March 31, 2021 were NIL. Shareholders/Investors Complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2021.

Complaints pending as on April 01, 2020	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on March 31, 2021	0

The above table includes Complaints received from SEBI SCORES by the Company. SCORES is an online platform designed by SEBI to help investors to lodge their complaints pertaining to securities market against listed companies and/or listed intermediaries.

## XV. Remuneration to Directors

### A. Remuneration Policy:

Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel(s) (KMP(s)) and other Employees. The policy is furnished as **Annexure IV** to Board's Report.

The Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our Business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and incentive (variable component) to its Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the prescribed limit mentioned in Schedule V of Companies Act, 2013 and the same is effective from April 01, each year. The Nomination and Remuneration Committee decides on the incentive payable to the Executive Directors out of the profits for the Financial Year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Executive Directors.

The Executive Directors are the employees of the Company and are subject to service conditions as per the Company policy. There is no provision

for payment of severance fees to Executive/ Non-Executive Directors. Independent Directors are paid sitting fees and are not subject to any notice period and severance fees.

### B. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid Sitting Fees for each Meeting of the Board or Committee as attended by them. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

During the year 2020-21, the Company paid sitting fees of ₹ 1,00,000 per Board Meeting and ₹ 40,000 for the Committee Meetings to Independent Directors for attending meetings of the Board and Committees. However, the sitting fees was revised to ₹ 80,000 from November 10, 2020. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. Kindly refer MGT-9 (**Annexure VI** of the Board's Report) for details of remuneration paid to Directors and KMP(s) of the Company.

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock options to its Executive or Non-Executive Directors/ Independent Directors.

### C. Remuneration to Executive Directors

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between them and the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the Shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is displayed on the Company's website viz. <https://www.teamleasegroup.com>. Presently, the Company does not have a stock options scheme for its Directors.

Kindly refer MGT-9 (**Annexure VI** of the Board's Report) for details of remuneration paid to Executive Directors of the Company.

#### D. Service Contracts, Notice and Severance Fees

As at March 31, 2021, the Board comprised 6 members including 2 Executive Directors and 4 Non-Executive Independent Directors. The Executive Directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees.

#### E. Criteria for making payment to Non-Executive Directors

The criteria of making payment to the Non- Executive Directors is based on the varied roles played by

them towards the Company. It is not just restricted to corporate governance or outlook of the Company but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions.

The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, science, technology or intellectual property.

#### F. Disclosure of relationships between Directors inter-se

There is no inter-se relationship between any Directors

## XVI. General Body Meetings

### I. General Meeting

#### A. Annual General Meeting ("AGM"):

The date, time and location of Annual General Meetings held during the last three years and the special resolutions passed are as follows:

Financial Year	Date	Time	Venue	Special Resolution passed
2017-18	December 19, 2018	03:00 P.M. IST	Hotel Royal Orchid 1, Golf avenue, adjoining KGA Golf Course Airport Road, Bangalore 560 008, Karnataka	1. To increase the existing FPI (Foreign Portfolio Investors) limit from 75% to 100% of paid-up Capital of the Company
2018-19	August 23, 2019	03:00 P.M. IST	Hotel "The Paul Bangalore" 139/28, Opposite Embassy Golf Links, Domlur Layout, Off Intermediate Ring Road, Bangalore 560071, Karnataka, India	1. To adopt TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 and to create fresh ESAR pool of 1.5% of paid-up share capital of the Company 2. To approve grant of ESARs to the Employees/ Directors of the Subsidiary Company(ies)/ of the Company under - ESAR Plan 2019 3. To alter the Articles of Association of the Company with respect to removal of common seal clause
2019-20	September 04, 2020	03:00 P.M. IST	Meeting held through Video Conferencing/ Other Audio Visual Means and the deemed venue of the AGM is TeamLease Registered Office at Bangalore.	1. To re-appoint Mrs. Latika Pradhan (DIN: 07118801) as an Independent Director of the Company. 2. To re-appoint Mr. Narayan Ramachandran (DIN: 01873080) as an Independent Director of the Company. 3. To re-appoint Dr. V. Raghunathan (DIN: 00254091) as an Independent Director of the Company. 4. To amend the TeamLease Services Limited - Employee Stock Appreciation Rights (ESAR) Plan 2019 adopted by the Company at the Nineteenth (19 <sup>th</sup> ) AGM of the company held on August 23, 2019.

**B) Postal Ballot conducted during the year 2020-21  
NIL****C) Remote E-Voting and Direct Voting at the Annual  
General Meeting**

To allow the Shareholders to vote on the resolutions proposed at the Annual General Meeting, the Company has arranged for a remote E-Voting facility. The Company has engaged KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited)(KFintech) to provide E-Voting facility to all the members. Members whose names shall appear on the register of members as on August 27, 2021 shall be eligible to participate in the E-Voting. The facility for direct voting will also be made available at the Annual General Meeting, and the members who have not already cast their vote by remote E-Voting can exercise their vote at the Annual General Meeting.

**II. MEANS OF COMMUNICATION****1. Quarterly Results:**

The quarterly and year to date financial results of the Company are published in leading newspapers in India which include, Financial Express and Prajavani. The results are also displayed on the Company's website under <https://www.teamleasegroup.com/quarterly-results>.

**2. News Releases, Presentations:**

Official news/Press releases are sent to the stock exchanges and also displayed on the Company's website <https://www.teamleasegroup.com/node/640>.

**3. Presentations to Institutional Investors/ Analysts**

Presentations are made to institutional investors and financial analysts on quarterly financial results of the Company. These presentations are also uploaded on the Company's website <https://www.teamleasegroup.com/webcasts-presentations> and also sent to stock exchanges. The schedule of meetings with institutional investors/financial analysts are intimated in advance to the stock exchanges and disclosed on Company's website.

**4. Website:**

The Company's website <https://www.teamleasegroup.com> contains a separate and dedicated section "Investors" wherein Shareholders information is available. The information such as press releases, notice of the Board meeting, revision in credit rating, clippings of newspaper publications etc.,

are uploaded on the website from time to time. The Company's Annual Report is also uploaded on the website in a user-friendly and downloadable form.

**5. NSE Electronic Application Processing System  
(NEAPS)**

NEAPS is a web based application designed by National Stock Exchange of India Limited for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases are electronically filed on NEAPS.

**6. BSE Corporate Compliance & Listing Centre  
(‘Listing Centre’)**

BSE Limited's 'Listing Centre' is a web based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases are electronically filed on the 'Listing Centre.'

**7. SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/resolved electronically in the SEBI SCORES system.

**8. Annual Report**

The Annual Report circulated to members and others entitled thereto is disseminated to Stock Exchanges and is also uploaded on the Company's website.

**XVII. General Shareholders Information****A. Annual General Meeting for FY 2020-21**

Pursuant to Circular issued by Ministry of Corporate Affairs ('MCA') General Circular No. 20/2020 dated May 05, 2020 read together with MCA General Circular Nos. 14/2020, 17/2020 & 02/2021 dated April 08, 2020, April 13, 2020 and January 13, 2021 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (hereinafter collectively referred to as "the Circulars"), companies are allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM). Accordingly, your Company will be conducting the AGM through VC/OAVM facility. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the

commencement of the Meeting by following the procedure mentioned in the Notice of AGM, and this mode will be available throughout the proceedings of the AGM.

During the live AGM, Members may post their queries in the message box provided on the screen or may submit questions in advance on the email ID of the Company at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com). In case of any query and/or help, in respect of attending AGM through VC/OAVM, Members may refer to the

Help & Frequently Asked Questions (FAQs) and VC/ OAVM user manual available at the download Section of [evoting@kfintech.com](mailto:evoting@kfintech.com) (KFintech Website) or contact at [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com), or contact Ms. Rajitha Cholleti / Mr. Premkumar Nair - Corporate Registry, KFintech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech's toll free No.: 1- 800-309-4001 for any further clarifications.

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Day, date and time	: Friday, September 03, 2021 at 03:00 P.M. IST
Venue	: Video Conferencing/ Other Audio Visual Means and the deemed venue of the AGM shall be TeamLease Registered Office at Bangalore
Financial Year	: April 01, 2020 to March 31, 2021
Cut-off date for determining the names of Shareholders eligible to get Notice of Annual General Meeting	: Friday, July 30, 2021
Cut-off date for determining the names of Shareholders eligible to vote	: Friday, August 27, 2021
Remote E-Voting start time and date	: Tuesday, August 31, 2021 (09:00 A.M. IST)
Remote E-Voting end time and date	: Thursday, September 02, 2021 (05:00 P.M. IST)
Remote E-Voting website of KFintech	: <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a>
Name, address and contact details of E-Voting service Provider and Registrar and Transfer Agent	: KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032 Contact detail: KFintech's toll free No.: 1- 800-309-4001
Email Registration & Contact Updation Process	: <b>Demat Shareholders:</b> Contact respective Depository Participant. <b>Physical Shareholders:</b> Contact Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> along with signed scanned copy of the request letter providing the email address, mobile number, self- attested copy of the PAN card and copy of the Share Certificate
Email Registration on Registrar and Transfer Agent's website	: Members may visit the following Website and follow the Registration Process as guided therein: • KFintech's Website <a href="https://ris.kfintech.com/email_registration/">https://ris.kfintech.com/email_registration/</a> .
Participation through Video-Conferencing	: Members can login from 02:45 P.M. IST on the date of AGM at <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
Helpline Number for VC participation	: Call KFintech's toll free No.: 1- 800-309-4001

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- Submission of Questions / Queries Before AGM : Questions/queries shall be submitted 48 hours before the time fixed for AGM i.e. by 03:00 P.M. IST on September 01, 2021, by any of the following process:
- Email to [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) mentioning name, demat account no./folio number, email ID, mobile number, etc.
  - Members holding shares as on the cut-off date i.e. Friday, August 27, 2021, may also visit <https://emeetings.kfintech.com> and click on "Post Your Queries" and post queries/views/questions in the window provided, by mentioning name, demat account number/folio number, email ID and mobile number.
- Speaker Registration Before AGM : Visit <https://emeetings.kfintech.com> and click on "Speaker Registration" and register as Speaker until 48 hours before the time fixed for AGM i.e., from Monday, August 30, 2021 (09:00 A.M. IST) upto Wednesday, September 01, 2021 (03:00 P.M. IST).
- Recorded transcript : Will be made available post AGM at <https://www.teamleasegroup.com>

#### B. Listing on Stock Exchanges:

Sl. No	Name of the Stock Exchange	Address of the Stock Exchange	Stock Code	ISIN
1.	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai 400-051, <a href="http://www.nseindia.com">www.nseindia.com</a>	TEAMLEASE	INE985S01024
2.	BSE Limited	Floor 25, PJ Towers, Dalal Street, Mumbai – 400-001, <a href="http://www.bseindia.com">www.bseindia.com</a>	539658	

#### Payment of Listing Fees:

Annual listing fee for the Financial Year 2021-22 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

#### Payment of Depository Fees :

Annual Custody / Issuer fee is being paid by the Company within the due date based on invoices received from the Depositories.

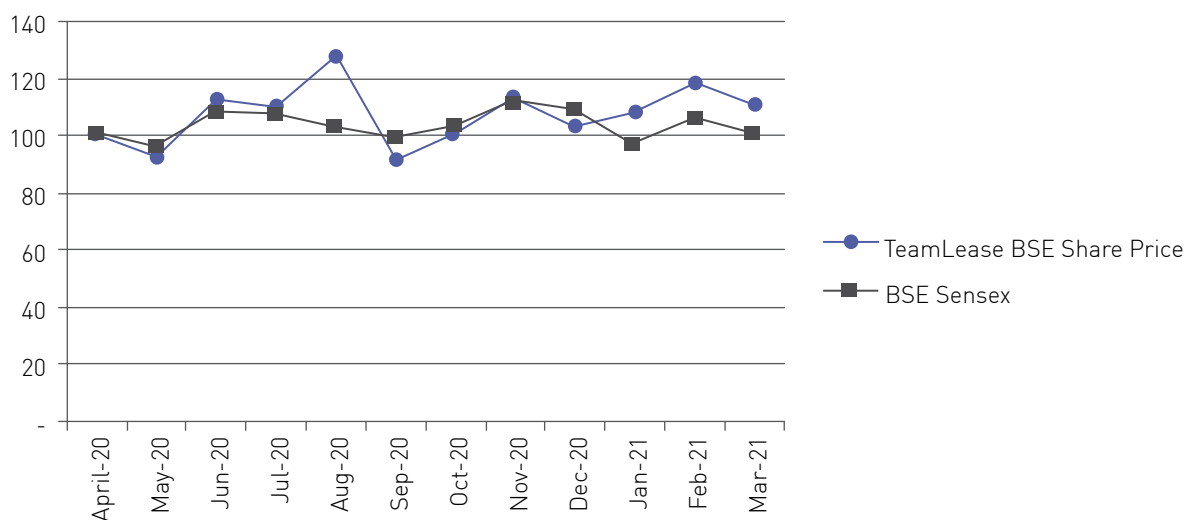
### C. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2020-21 on National Stock Exchange of India Limited and BSE Limited:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-20	1,730.00	1,492.50	3,07,112	1,702.85	1,506.50	4,797
May-20	1,624.25	1,420.00	1,65,428	1,620.85	1,428.00	3,394
Jun-20	1,913.55	1,472.65	6,65,250	1,913.30	1,473.30	87,647
Jul-20	1,967.95	1,630.00	8,53,691	1,963.60	1,630.30	1,86,037
Aug-20	2,588.15	1,856.25	13,43,986	2,585.00	1,870.10	1,18,762
Sep-20	2,549.80	2,072.55	5,08,659	2,585.00	2,071.25	31,516
Oct-20	2,390.00	2,152.80	3,61,948	2,488.00	2,169.05	1,48,255
Nov-20	2,715.45	2,176.00	4,38,388	2,699.00	2,174.10	81,065
Dec-20	2,899.00	2,365.10	4,57,448	2,896.20	2,365.00	28,218
Jan-21	2,928.00	2,553.90	4,90,019	2,925.00	2,596.00	16,738
Feb-21	3,769.90	2,675.05	11,01,995	3,766.40	2,676.45	78,193
Mar-21	3,839.00	3,294.40	5,00,149	3,840.00	3,305.20	53,091

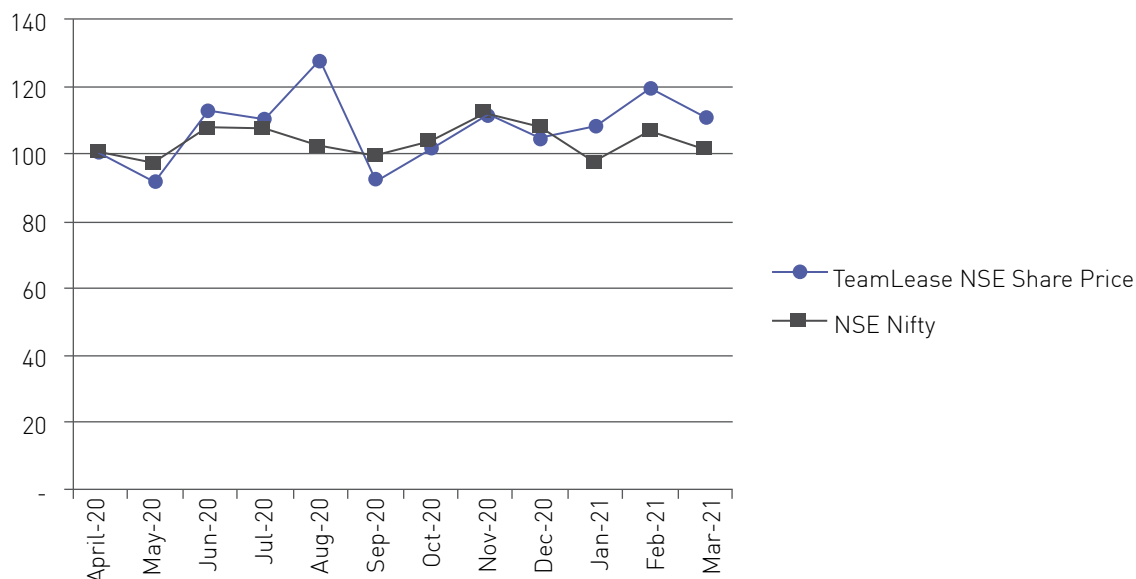
### D. Performance of the share price of the Company in comparison to the BSE Sensex:

TeamLease Share Price and Sensex Movement



**E. Performance of the share price of the Company in comparison to the CNX NIFTY:**

TeamLease Share Price and NIFTY Movement

**F. Registrar and Share Transfer Agent**

The Company has appointed KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) (KFintech), as Registrars and Transfer Agents (R& T Agents) who are registered with SEBI as share transfer agents under registration number INR000000221 and the contact details are as follows:

KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), ('KFintech') Karvy selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032. Telangana, India.

Toll Free Number: 1- 800-309-4001

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website : [www.kfintech.com](http://www.kfintech.com)

**G. Share Transfer System**

The matter connected with the share transfer/ transmission and other related matters are being handled by Registrars and Transfer Agents located in the addressed mentioned above.

Share lodged for transfer are normally processed with 15 days from the date of lodgment, if the documents are clear in all respects.

All requests for dematerialization of securities are processed and the confirmation is given to the

depositories within 15 days. Grievances received from the investors and other miscellaneous correspondences relating to change of address, mandates, etc., are processed by KFintech within 7 days.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

Certificates are being obtained and submitted to Stock Exchanges on half yearly basis, from a Company Secretary in practice towards due compliance of share transfer formalities by the company within the due dates, in terms of Regulation 40 (9) of SEBI LODR Regulations, 2015.



The Company as required under Clause 46 of the SEBI LODR Regulations, 2015, has designated the following email IDs namely [corporateaffairs@teamlease.com](mailto:corporateaffairs@teamlease.com) for the purpose of registering complaints if any by the investors and expeditious redressal of their grievances.

The Shareholders are therefore, requested to correspond with KFinTech for transfer/transmission of shares, change of address and queries pertaining to their shareholdings at the address given in this report.

#### H. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in

whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

#### I. Suspension of Trading

None of the securities of the Company were suspended from trading on stock exchanges during the year under review.

#### J. Financial Year

Financial Year covers the period from April 01, 2020 to March 31, 2021

### I. Shareholding as on March 31, 2021

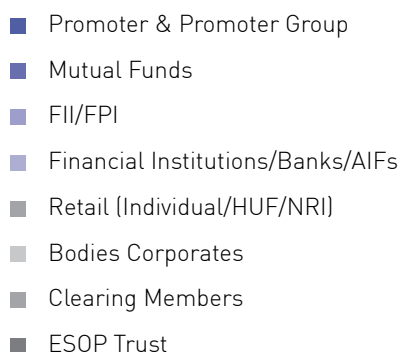
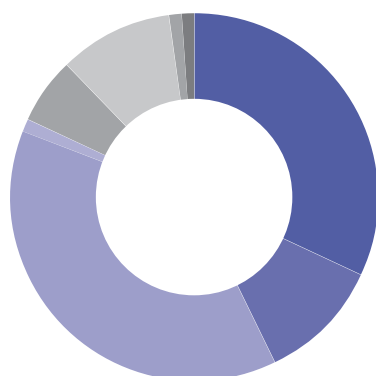
#### a. Distribution of Equity Shareholding as on March 31, 2021:

Sl. No	Category (Shares)	No. of Shares	% To Holders	No. of Holders	% To Equity
1	1 – 500	3,12,780	97.53	13840	1.83
2	501 – 1000	74,319	0.69	98	0.43
3	1001 – 2000	1,05,229	0.53	75	0.62
4	2001 – 3000	49,203	0.13	19	0.29
5	3001 – 4000	69,331	0.13	19	0.41
6	4001 – 5000	26,801	0.04	6	0.16
7	5001 – 10000	1,87,200	0.18	26	1.09
8	10001 – 20000	4,18,984	0.19	27	2.45
9	20001 – 50000	9,71,509	0.21	30	5.68
10	50001 – 100000	16,22,986	0.15	21	9.49
11	100001 & Above	1,32,58,427	0.20	29	77.55
<b>TOTAL:</b>		<b>1,70,96,769</b>	<b>100.00</b>	<b>14190</b>	<b>100.00</b>

#### b. Category wise Shareholding as on March 31, 2021:

Category	Number of Equity Shares Held	Percentage of Holding
Promoter & Promoter Group	58,15,035	34.01%
Mutual Funds	19,00,945	11.12%
FII/FPI	64,67,518	37.83%
Financial Institutions/Banks/AIFs	2,00,821	1.17%
Retail (Individual/HUF/NRI)	9,83,461	5.75%
Bodies Corporates	17,00,710	9.95%
Clearing Members	10,124	0.06%
ESOP Trust	18,155	0.11%
<b>Grand Total</b>	<b>1,70,96,769</b>	<b>100.00%</b>

## Category of Shareholding



## c. Top Ten Equity Shareholders of the Company as on March 31, 2021

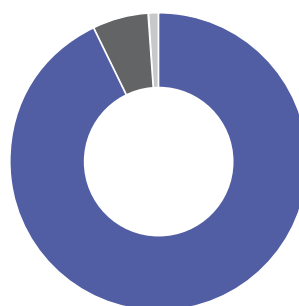
Sl. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage of Holding
1	HR Offshoring Ventures Pte Ltd	43,15,328	25.24 %
2	NED Consultants LLP	13,67,965	8.00%
3	Dhana Management Consultancy LLP	7,90,520	4.62%
4	T. Rowe Price International Discovery Fund	6,75,075	3.95%
5	FIL Investments(Mauritius)Ltd	5,65,872	3.31%
6	Kotak Funds - India Midcap Fund	4,47,830	2.62%
7	Goldman Sachs Funds - Goldman Sachs Emerging Markets Equity Portfolio	4,46,760	2.61%
8	Indus India Fund (Mauritius) Limited	4,32,660	2.53%
9	Max Life Insurance Co. Ltd. Pension Preserver Fund (ULIF01815/02/13PENSPRESER104)	4,10,292	2.40%
10	Franklin India Smaller Companies Fund	3,94,766	2.31%

## d. Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form on National Stock Exchange of India Limited and BSE Limited. Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialized as on March 31, 2021..

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE985S01024.

## Demat status as on March 31, 2021



## e. Shares held in dematerialized status as on March 31, 2021:

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	1,59,48,314	93.28%
Shares held in CDSL	11,47,404	6.71%
Shares held in Physical Form	1,051	0.01%
<b>Total</b>	<b>1,70,96,769</b>	<b>100</b>

## XVIII. Other Disclosures:

## i. Materially Significant Related party transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, 2015 during the Financial Year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the Financial Year. Related party transactions

have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis. The Board of Directors has approved a policy for related party transactions which has been uploaded on the Company's website at the following link <https://www.teamleasegroup.com/policy-documents>.

**ii. Non-compliance by the Company (if any)**

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the year under review - **NIL**

**iii. Whistle Blower Policy / Vigil Mechanism**

The Company has adopted a Whistle Blower and Vigil Mechanism Policy as defined under Regulation 22 of SEBI LODR Regulations, 2015 and Section 177 (9) & (10) of Companies Act, 2013, for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairperson of the Audit Committee. The said policy has been also put up on the website of the Company at the following link <https://www.teamleasegroup.com/policy-documents>.

**iv. Compliance with mandatory requirements of the SEBI LODR Regulations, 2015 read with its Amendments**

Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company duly complied with all the mandatory requirements of the Listing Regulations.

**v. Determination of the material subsidiary**

The Company has framed the policy on determination of the material subsidiary and accordingly none of the subsidiaries of the company fall within the ambit

prescribed by the material subsidiary policy for the year under review. The policy is also posted in the website of the company with the following link <https://www.teamleasegroup.com/policy-documents>.

All the subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage these companies in the best interest of respective stakeholders. The Company nominates its representatives on the Board of subsidiary companies and monitors performance of such companies, inter alia, by reviewing;

- Financial Statements, the investment made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials being reviewed by the Audit Committee of the Company on a quarterly basis.
- Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.
- Providing necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

**vi. Policy pertaining to determination and disclosure of the material events/information**

The Board of Directors in their meeting held on March 30, 2016 has approved the policy pertaining to determination and disclosure of the material events/information. Accordingly any such material events/information will be disclosed to the concerned either by Managing Director or Chief Financial Officer or Company Secretary. The policy on determination and disclosure of material events/information is posted in the website of the company with the following link <https://www.teamleasegroup.com/policy-documents>

**vii. Reconciliation of share capital audit:**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL

**viii. Code of Conduct:**

The members of the Board and senior management personnel have affirmed the compliance with Code of Conduct applicable to them during the year ended March 31, 2021. The **Annexure I** of the Corporate Governance Report contains a certificate by the Managing Director in terms of SEBI LODR Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

**ix. Subsidiary Companies:**

The Audit Committee reviews the Consolidated Financial Statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material Indian subsidiary companies during the year under review.

**x. Non-mandatory requirements**

Adoptions of non-mandatory requirements of the SEBI LODR Regulations, 2015 read with its Amendments are also reviewed by the Board from time-to time. The Company has duly fulfilled the discretionary requirements as prescribed in Schedule II Part E of the SEBI LODR Regulations, 2015.

Non-mandatory (discretionary) requirements under Regulation 27 of the SEBI LODR Regulations, 2015. The status of compliance with the non-mandatory requirements of the SEBI LODR Regulations, 2015 is provided below:

- The Board

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

Mr. Manish Mahendra Sabharwal is the Whole Time Director & Chairman of the Company till March 31, 2022 and Mr. Ashok Reddy is the Managing Director of the Company till August 30, 2025, eligible for re-appointment. The Company has complied with the discretionary requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

None of the Independent Directors of the Company is a non-independent director/ executive director of another company on the Board of which any non-independent director/ executive director of the Company is an Independent director.

No person has been appointed or continues as an alternate director for an independent director of the Company.

- Shareholders rights

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to Shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

- The Modified Opinion in the Audit Report forms part of the Financial Statements enclosed in the Annual Report.

- Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action. Grant Thornton, Bangalore, the Internal Auditors of the Company, make presentations to the audit committee on their reports on a quarterly basis.

- Disclosures with respect to demat suspense account/ unclaimed suspense account: **NIL**.
- Trading window closure for financial results is from the beginning of the quarter till 48 hours after the Unpublished Price Sensitive Information (UPSI) becomes generally available.

**xi. Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

## **xii. Compliance with Secretarial Standards**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## **xiii. Code for Prohibition of Insider Trading Practices**

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons/ employees/ directors, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the above said Code.

The Code of Conduct for Prohibition of Insider Trading (Insider Trading Code) was updated to commensurate with the existing organisation structure and changes in regulatory environment. The revised Insider Trading Code was adopted by the Board at its meeting held in January 28, 2021. The Insider Trading Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares. The Insider Trading Code restricts the connected persons, who are designated as such under the Insider Trading Code, from disclosing any price sensitive information and imposes strict confidentiality obligations on persons who have access to any price sensitive information in relation to the Company. It also prohibits the designated person from dealing in shares of the Company who is in possession of unpublished price sensitive information, forward contracts, derivatives, portfolio management schemes, amongst the others.

In order to ensure rigour of the Insider Trading Code, the employees were familiarised with the revised Insider Trading Code through training programmes and other periodical communications. The employees were also sensitised on ways to handle price sensitive information and information confidentiality.

## **xiv. MD / CFO Certification**

The Managing Director (MD) and Chief Financial Officer (CFO) of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of SEBI LODR Regulations, 2015 for the Financial Year ended March 31, 2021.

The annual certificate given by the MD and the CFO is published in this Report as **Annexure II** of this Corporate Governance Report.

The MD and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI LODR Regulations, 2015.

## **xv. Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace**

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization

## **xvi. Policy for Preservation of Documents**

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

## **xvii. Policy for Determination of Legitimate Purposes pertaining to Unpublished Price Sensitive Information**

The Company has formulated a comprehensive Policy for Determination of Legitimate Purposes This Policy is formulated pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for determination of legitimate purpose of for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any. This Policy was implemented from January 29, 2019, the date of approval by the Board of Directors.

The Policy is also hosted on the website of the Company at <https://www.teamleasegroup.com/policy-documents>

**xviii. Policy on enquiry of leak of Unpublished Price Sensitive Information**

The Company has formulated a comprehensive Policy for enquiry of leak Unpublished Price Sensitive Information. This Policy is formulated as per requirement of Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018 for enquiry procedure in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information. This Policy was implemented from January 29, 2019, the date of approval by the Board of Directors.

The Policy is also hosted on the website of the Company at <https://www.teamleasegroup.com/policy-documents>.

**xix. Disclosures regarding appointment or re- appointment of Directors**

As per the Companies Act, 2013, at least two thirds of the Board should consist of retiring Directors, of these, at least one third are required to retire every year.

Mr. Manish Mahendra Sabharwal (DIN: 00969601), Whole Time Director & Chairman, of the Company, being the longest in the office, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment as a Director. The detailed profile of the above director is provided as part of the Notice of the Annual General Meeting of the Company.

**xx. Accounting Treatment in Preparation of Financial Statements**

In the preparation of the Financial Statements, the Company has followed existing Indian Accounting

Standards. (Ind AS) The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.

**xxi. Details of Unclaimed Shares/Dividends**

The Company has not declared / paid any dividends, hence the question of unclaimed shares/dividend does not arise.

**xxii. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs /

Warrants or any convertible instruments in the past and hence as on March 31, 2021, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**xxiii. Details of utilization of funds raised through preferential allotment or qualified institutions placement**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

**xxiv. Commodity Price Risk or Foreign Exchange Risk and Hedging activities**

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk and therefore no question of hedging. The Company has not entered into foreign currency swap/ derivative transactions to cover the risk exposure on account of foreign currency transactions. Your Company follows the Accounting Policy and Disclosure Norms for swap/derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The foreign exchange exposure as on March 31, 2021 is **NIL**.

**xxv. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not Applicable

**xxvi.** A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice shall be made available for inspection at the Annual General Meeting.

**xxvii. Cases where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant Financial Year.** Not Applicable

**xxviii.** Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in **Note 32** to the Standalone Financial Statements and Consolidated Financial Statements under Other Expenses.

**xxix.** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 is given in the Directors' report.

### **xxx. Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board

### **xxxi. Credit Rating**

The Company continues to maintain its credit ratings.

Pursuant to Schedule V, Part C of SEBI LODR Regulations, 2015 read with Amendments thereof, it is informed that the Company continues to maintain its credit ratings.

The Credit Rating Information Services of India Limited (CRISIL) & Investment Information and Credit Rating Agency (ICRA) has continued to assign the ratings to the Company's various credit facilities and debt instruments during the Financial Year 2020-21 and they are as below:

Line of Credit of TeamLease Services Limited for ₹ 150.00 crore	Long-term outstanding rating of ICRA A and short-term outstanding rating of ICRA A1 for ₹ 100.00 crore LOC and a long-term rating of ICRA A and short-term rating of ICRA A1 to the additional limit of ₹ 50.00 crore. is assigned by ICRA Limited. The Outlook on the long-term rating continues to be Stable.
Bank loan rating for ₹ 150 Crore bank facilities	Long-term rating of CRISIL A-/ Stable and short-term rating of CRISIL A2+is assigned by CRISIL

### **xxxii. Branch Locations:**

In view of the nature of the Company's business viz. Staffing Solutions and others, the Company operates from various offices in India. Details thereof are available at <https://www.teamleasegroup.com/contact>.

### **xxxiii. Address for correspondence:**

#### **Corporate Governance & Compliance**

Ms. Alaka Chanda  
Company Secretary and Compliance Officer  
Tel: +91 80 6824 3406  
E-mail id: [alaka.dhawan@teamlease.com](mailto:alaka.dhawan@teamlease.com)

#### **Financial Disclosure**

Ms. Ramani Dathi  
Deputy Chief Financial Officer  
Tel: +91 80 6824 3330  
E-mail id: [ramani.dathi@teamlease.com](mailto:ramani.dathi@teamlease.com)

#### **Investor Relations (Institutional Investors & Research Analysts)**

Ms. Ramani Dathi  
Deputy Chief Financial Officer  
Tel: +91 80 6824 3330  
E-mail id: [ramani.dathi@teamlease.com](mailto:ramani.dathi@teamlease.com)

#### **Registrar and Share Transfer Agents**

KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) (KFintech)  
(Unit: TeamLease Services Limited)

#### **Registered Office**

Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramgud, Hyderabad – 500 032  
E-mail id: [einward.ris@kfinfintech.com](mailto:einward.ris@kfinfintech.com)  
Website : [www.kfinfintech.com](http://www.kfinfintech.com)

### **XIX. Request to Shareholders**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

#### **A. Demat of Shares:**

Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

#### **B. Transfer of Shares:**

SEBI amended Regulation 40 of SEBI LODR Regulations, 2015 vide Gazette notification dated June 08, 2018 which has mandated that transfer of securities would be carried out in dematerialized



form only. These regulations shall come into force on the one hundred and eightieth day from the date of its publication in the Official Gazette. In this regard, the Company is required to take special efforts through their RTAs to send letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f. December 05, 2018 and Company is in due compliance with such process. The Shareholders may continue to hold shares in physical form but transfer of shares will be in dematerialized form only.

However, in case of transfer of shares in physical mode till the effective date of the above amendment, Shareholders should fill up complete and correct particulars in the transfer deed for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature to the R & T Agents duly attested by a bank.

In terms of SEBI's circular No. MRD/DoP/Cir-05/1009 dated May 20, 2009; it has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares to be held in physical mode.

In case of loss / misplacement of share certificate, Shareholders should immediately lodge a FIR/ Complaint with the police and inform the Company/ R & T Agents with original or certified copy of FIR/ acknowledged copy of complaint for making stop transfer of shares.

#### C. Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

#### D. Registration of Nominations:

Section 72 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014, provides facility for making nominations by Shareholders in respect of their holdings of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/ her nominees without having to go through the process of obtaining succession certificate/probate of will etc.

Shareholders who have not availed nomination facility are requested to avail the same by submitting the nomination Form in SH-13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

#### E. Updation of Address:

Shareholders are requested to update their addresses and registered with the company, directly through the R & T Agents to receive all communications promptly. Shareholders holding shares in electronic form are requested to deal only with their DPs in respect of change of address and furnishing bank account number etc.

#### F. Shareholder voting:

Shareholders are requested to cast their votes on the Resolutions mentioned in the Notice of the **Twenty First (21<sup>st</sup>)**, Annual General Meeting of the Company by using any one of the following options:

1. Vote in advance of the Annual General Meeting through remote E-Voting process
2. Vote directly during the Annual General Meeting

#### XX. Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of Annual Report through electronic means to such of the Shareholders whose e-mail addresses are registered with NSDL or CDSL or the Shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those Shareholders whose e-mail IDs have not been registered either with the company or with the depositories.

To support this green initiative of the Government, Shareholders are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the R & T Agents, in case the share are held in physical form and also intimate changes, if any in their registered e-mail addresses to the company/DPs, from time to time.

#### XXI. Compliance Certificate on Corporate Governance

Certificate received from Mr. Mukesh Siroya, M Siroya and Company, Practicing Company Secretaries, Mumbai (FCS No. 5682, CP No. 4157), having their office at A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066 confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) read

with Schedule V (E) of the SEBI LODR Regulations, 2015 is annexed to this Corporate Governance Report as **Annexure III.**

## XXII. Secretarial Audit

The Company's Board of Directors appointed Mr. Mukesh Siroya, M Siroya and Company, Practicing Company Secretaries, Mumbai (FCS No. 5682, CP No. 4157), to conduct the secretarial audit of its records and documents for the Financial Year 2020-21. The secretarial

audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 1996, SEBI LODR Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

## XXIII. Details of Corporate Policies

Particulars Website Details/Links

Policy/Code	Weblink
TeamLease Dividend Distribution Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Familiarization Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Nomination and Remuneration Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Code of Conduct and Business Ethics	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Learning and Development Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Corporate Social Responsibility Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy on Related Party Transactions	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy for determining Material Subsidiaries	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Whistle Blower and Vigil Mechanism Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Preservation of Documents and Archival Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Prevention of Sexual Harassment Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Code of Conduct for Prevention of Insider Trading	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Anti-Bribery and Corruption Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Risk Management Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy on Board Diversity	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Performance Evaluation of Directors Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy on Determination of Legitimate Purposes for sharing of UPSI	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy on Inquiry Procedure in case of UPSI Leak	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy on Determination of Materiality of Event	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Business Responsibility Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Code of Ethics for Directors	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Audit Committee Charter	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Policy on Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease Human Rights Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
TeamLease SRC Terms of Reference	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>

**XXIV. The Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46(2) of SEBI LODR Regulations, 2015 read with its Amendments.**

Sl. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Composition and Appointment of Board	Yes
		17(2)	Meeting of Board of Directors and quorum	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to Non-Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate by Chief Executive Officer and Chief Financial Officer	Yes
		17(9)	Risk Assessment & Management plan	Yes
		17(10)	Performance Evaluation	Yes
		17(11)	Recommendation of Board for each item of special business	Yes
2	Maximum Number of Directorships	17A	Directorships in listed entities	Yes
3	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
4	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
5	Stakeholders' Relationship Committee	20(1), (2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
6	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Yes
		21(4)	Role of the Committee	Yes
7	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee, Adequate safeguards against victimization and Direct access to Chairperson of Audit Committee	Yes
8	Related Party Transaction	23(1), (5), (6), (7) & (8)	Policy on Materiality of related party transactions and dealing with related party transactions	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee periodically	Yes
		23(4)	Approval for Material Related Party Transactions	NA
9	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	NA
		24(2), (3), (4), (5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	NA

Sl. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
10	Secretarial Audit	24 (A)	Annual Secretarial Audit Report and Annual Secretarial Compliance Report • Secretarial Audit Report of material unlisted subsidiaries incorporated in India	Yes
11	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes
		25(8 & 9)	Declaration from Independent Director that he / she meets the criteria of independence	
		25(10)	Directors and Officers insurance for all the Independent Director	
12	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
13	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
14	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of Familiarisation Programmes imparted to Independent Directors	Yes

## Annexure I-Corporate Governance Report

### Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Bangalore  
Date: June 09, 2021

**Ashok Reddy**  
Managing Director  
DIN: 00151814

## Annexure II-Corporate Governance Report

### MD and CFO Certification

To,  
The Members,  
TeamLease Services Limited

We, Mr. Ashok Reddy, Managing Director and Ms. Ramani Dathi, Deputy Chief Financial Officer of TeamLease Services Limited, to the best of our knowledge and belief, certify that:

- 1) We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report for the year ended March 31, 2021 and to the best of our knowledge and belief :
  - a. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit Committee that:
  - a. There has not been any significant change in internal control over financial reporting during the year under reference;
  - b. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the Financial Statements; and
  - c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bangalore  
Date: June 09, 2021

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Ramani Dathi**  
Deputy Chief Financial Officer

## Annexure III-Corporate Governance Report

### Secretarial Auditor's Certificate on Corporate Governance

To,  
The Board of Directors,  
TeamLease Services Limited

We have examined the compliance of conditions of Corporate Governance by M/s. TeamLease Services Limited ('the Company') for the year ended on March 31, 2021, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as amended from time to time.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Note: In view of the restrictions imposed by the Government of India/Maharashtra/Karnataka on movement of people to contain the spread of Covid-19 pandemic, which led to the lockdown, we have relied on electronic data for verification of certain records as the physical verification was not possible.

For M Siroya and Company  
Company Secretaries

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682C000436409

Date: June 09, 2021

Place: Mumbai

# BUSINESS RESPONSIBILITY REPORT

## [As per Regulation 34 (2) (f) of the SEBI LODR Regulations, 2015]

The Business Responsibility (BR) Report of TeamLease Services Limited (TeamLease/ Company) for the Financial Year 2020-21 conforms to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India. This report substantially complies with the National Guidelines on Responsible Business Conduct (NGRBC) released by MCA in 2019.

Our BR Report includes our response to questions on our practices and performance on key principles defined by Regulation 34 (2) (f) of the SEBI LODR Regulations, 2015 covering topics across environment, governance and stakeholders relationships.

At TeamLease, sustainability is viewed as environmental and social responsibility, which allows the Company to deliver on stakeholder expectations. TeamLease continues to communicate the Company's obligations and performance to all its stakeholders through its Business Responsibility (BR) Report. As a responsible corporate citizen, TeamLease continues to actively engage with all its stakeholders to drive their growth for all. The Company believes in accelerating India's transition to a knowledge economy and continues its efforts to create value for India by elevating the quality of life across the entire socio-economic spectrum.

This BR Report illustrates TeamLease's efforts towards creating enduring value for all its stakeholders in a responsible manner.

## Section A – General Information about the Company

1	Corporate Identification Number (CIN) of the Company	L74140KA2000PLC118395
2	Name of the Company	TeamLease Services Limited
3	Registered & Corporate Office Address	6 <sup>th</sup> Floor, BMT Commercial Complex, 80 Ft Road, Koramangala, Bangalore, Karnataka - 560095, India
4	Website	<a href="https://www.teamleasegroup.com">https://www.teamleasegroup.com</a>
5	E-mail Id	<a href="mailto:corporateaffairs@teamlease.com">corporateaffairs@teamlease.com</a>
6	Financial Year Reported	April 01, 2020 to March 31, 2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

National Industrial Classification (NIC)-Ministry of Statistics and Program Implementation.

NIC Code of the Product/Service	Description
78100	Activities of employment placement agencies
78200	Temporary employment agency activities
78300	Human resources provision and management of human resource

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet):

- Temporary Staffing
- Permanent Recruitment
- Regulatory Consulting

9. Total number of locations where business activity is undertaken by the Company:

- |    |                                   |      |
|----|-----------------------------------|------|
| a. | Number of International Locations | None |
| b. | Number of National Locations      | 8    |

10. Markets served by the Company: India



## Section B: Financial Details of the Company

₹ in Lakhs

Sl. No.	PARTICULARS	2020-21	
		Standalone	Consolidated
1	Paid-up Capital	1,709.68	1,709.68
2	Total Turnover	4,51,413.12	4,91,617.53
	Revenue from Operations	4,46,593.69	4,88,145.67
	Other Income	4,819.43	3,471.86
3	Profit After Tax	8,407.02	7,847.47

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): As detailed in **Annexure V** of the Board's Report.

## Section C: Other Details

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2021 the Company has 8 direct and indirect subsidiaries.

Particulars of the subsidiary companies are detailed in **Annexure II** of Board's Report - AOC-1.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Certain business responsibility initiatives in the area of ethics, transparency and accountability, sustainable use of resources and well-being of employees are being implemented in all the subsidiary companies. The subsidiaries of the Company are separate legal entities and follow BR initiatives as per rules and regulations as may be applicable to them.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and to follow the concept of being a responsible business.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

- a) Details of the Director/Director(s) responsible for implementation of the BR policy/ policies:

The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

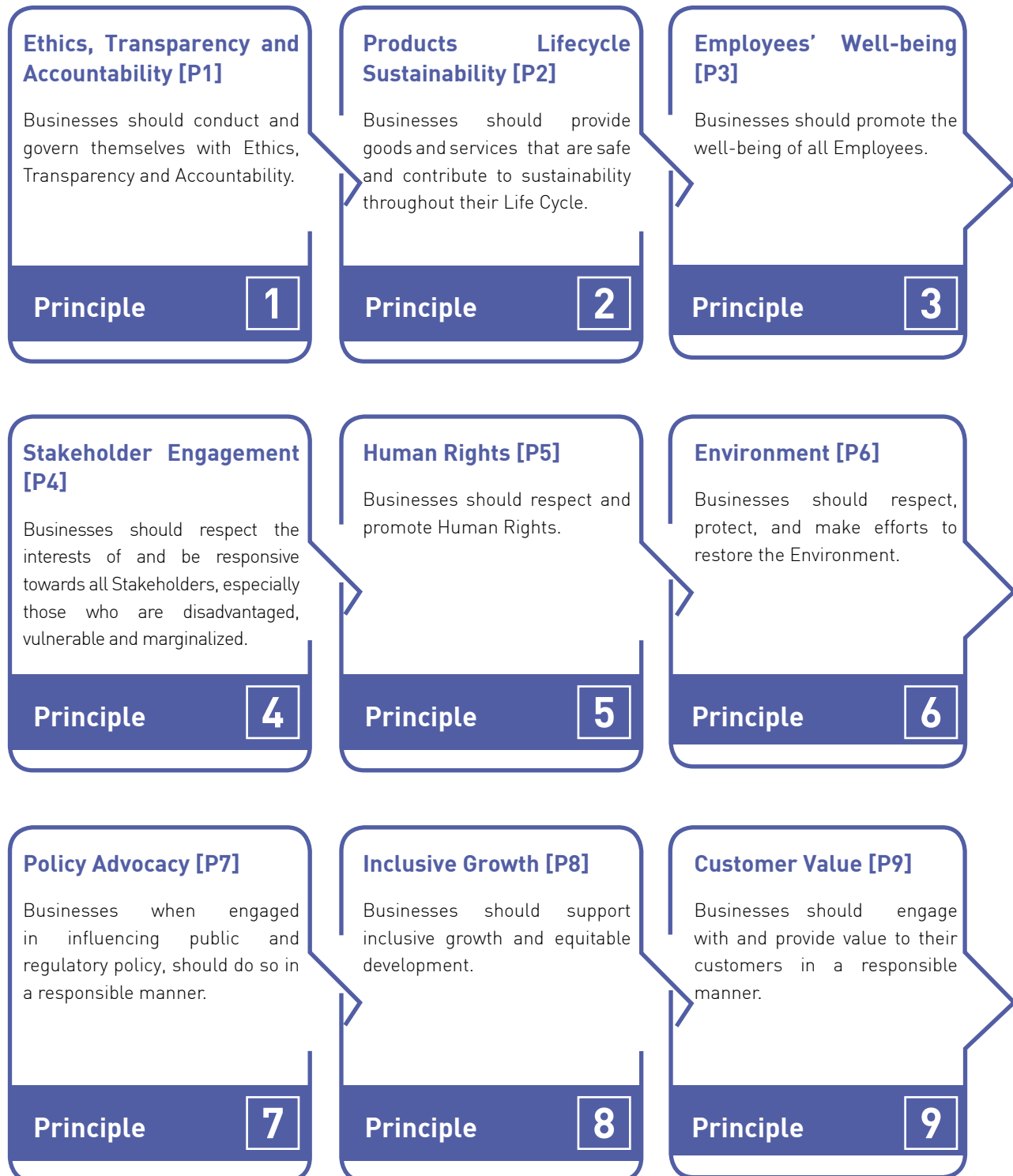
Sl. No.	Name	DIN	Designation
1	Dr. V. Raghunathan, Chairman	00254091	Independent Director
2	Mr. Ashok Reddy, Member	00151814	Executive Director
3	Mr. Manish Mahendra Sabharwal, Member	00969601	Executive Director

- b) Details of the BR head:

Sl. No.	Name	Details
1	DIN	Not applicable
2	Name	Ms. Ramani Dathi
3	Designation	Deputy Chief Financial Officer
4	Telephone number	+91 80 6824 3330
5	Email ID	<a href="mailto:corporateaffairs@teamlease.com">corporateaffairs@teamlease.com</a>

## 2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N):

The NVGs released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. The areas briefly are as follows:



Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify in 50 words*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board. If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	v
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed Online	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*The policies conform to the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, National Guidelines on responsible business conduct notified by Ministry of Corporate Affairs, Government of India.

\*\*The Company is working on developing and improving its systems for evaluating the implementation of the policies. The policies are evaluated internally from time to time and updated whenever required.

**Note:**

Note	Principle	Particulars	Weblink
1	1	TeamLease Code of Conduct and Business Ethics TeamLease Prevention of Sexual Harassment Policy Code of Conduct for Prohibition of Insider Trading TeamLease Anti-Bribery and Corruption Policy TeamLease Policy on Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market TeamLease Vigil Mechanism and Whistle-Blower Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
2	2	TeamLease Code of Conduct and Business Ethics	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
3	3	TeamLease Prevention of Sexual Harassment Policy TeamLease Vigil Mechanism and Whistle-Blower Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
4	4	TeamLease Corporate Social Responsibility Policy TeamLease Vigil Mechanism and Whistle-Blower Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
5	5	TeamLease Code of Conduct and Business Ethics TeamLease Vigil Mechanism and Whistle-Blower Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
6	6	TeamLease Code of Conduct and Business Ethics	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>

Note	Principle	Particulars	Weblink
7	7	Public Policy Advocacy Policy	Public Policy Advocacy is yet to be formulated. However, the Company plays a strong role in public policy advocacy through regular engagement with external stakeholders including industry associates, government bodies and regulatory departments.
8	8	TeamLease Corporate Social Responsibility Policy TeamLease Vigil Mechanism and Whistle-Blower Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>
9	9	TeamLease Code of Conduct and Business Ethics TeamLease Vigil Mechanism and Whistle-Blower Policy	<a href="https://www.teamleasegroup.com/policy-documents">https://www.teamleasegroup.com/policy-documents</a>

It has been the Company's practice to upload all policies on the intranet site for information and implementation by the internal stakeholders. However, Code of Conduct and Code of Conduct for Prohibition of Insider Trading being applicable to both internal and external stakeholders are available on the Company's website <https://www.teamleasegroup.com>

### 3. Governance Related to BR

#### 1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The BR performance of the Company is annually assessed.

#### 2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Pursuant to Regulation 34 of SEBI LODR Regulations, 2015 (as amended from time to time), the Company publishes a BR Report as an Annexure to the Annual Report on an annual basis.

BR Report of the Company is available at the website of the Company at <https://www.teamleasegroup.com>.

## Section E: Principle-Wise Performance

### Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

TeamLease Services Limited is committed to achieving the highest principles of integrity and ethics. Our Code of Conduct (COC / Code) outlines the Company's expected standards of ethical conduct and behavior. Our core values represent mutual respect, trust and personal growth for all. The Code of Conduct extends to employees at all levels and other individuals working with the Company, its subsidiaries, associates, suppliers, service providers, channel partners and explicitly prohibits bribes, kickbacks, improper payments and direct them to ensure ethical business conduct.

#### Q&A pertaining to Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company?	The policy relating to ethics, transparency and accountability covers the Company and its group companies including Joint Ventures and Associate Companies and the Suppliers / Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices. The Company believes in promoting growth without compromising on the ethical values of the organisation. This belief of the Company is echoed in the Policy on Ethics, Transparency and Accountability by avoiding any acts and practices that are abusive, corrupt, or anti-competitive
2	Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	Yes
3	How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	The Company has in place a mechanism for dealing with complaints received from various stakeholders. The details of the Shareholders complaints received and resolved during the Financial Year 2020-21 and provided in the Corporate Governance Report forming part of this Annual Report.

The three pillars supporting the governance structure of the Company are as under:

- a. **Ethics:** In consonance with the Regulation 17 of SEBI LODR Regulations, 2015 (as amended from time-to-time), the Company has adopted a "TeamLease Code of Conduct and Business Ethics" which mandates the Directors, Senior Management and Employees of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner.
- b. **Transparency:** The Governance structure of the Company is further supported by a Vigil Mechanism Policy which serves as a tool for its directors and employees to report any genuine concerns about unethical behaviour, actual or suspected without fear of reprisal. The mechanism provides an avenue to stakeholders to raise concerns or violations pertaining to activities of the Company.
- c. **Accountability:** In order to instil accountability amongst the employees of the Company and its Group companies, TeamLease Services Limited has in place an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons. The Code serves a threefold objective of:
  - monitoring the trades of designated employees of the Company;
  - obligating the employees to handle price sensitive information of the Company on a need-to-know basis thereby avoiding leakage of information;
  - mandating the employees to restrict unauthorized access to any individual other than the intended recipient of the information.

### **Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

While evaluating the impact of business operations, we aim to reduce any fallouts during the lifecycle of its services across the value chain.

#### **Q&A pertaining to Principle 2**

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or services opportunities	Temporary Staffing, Permanent Recruitment, Regulatory Consulting
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): <ul style="list-style-type: none"> <li>• Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?</li> <li>• Reduction during usage by consumers (energy, water) has been achieved since the previous year</li> </ul>	Not applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Not applicable
4	Has the company taken any steps to procure goods and services wherever possible from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not applicable
5	Does the company have a mechanism to recycle products and wherever possible waste? If yes what is the percentage of recycling of products and waste (separately as ←5%, 5-10%, →10%). Also, provide details thereof, in about 50 words or so.	Not applicable

**Principle 3 - Businesses should promote the well-being of all employees**

The Company believes that its success depends on its ability to develop knowledge, skills and expertise of its employees. This belief translates in ensuring that every business vertical is equipped with right talent, which is both competent and engaged. The Company achieved this objective by undertaking various initiatives for talent development, employee engagement and communication.

**Q&A pertaining to Principle 3**

1	Please indicate the total number of employees.	Total number of employees including subsidiaries: 2328																				
2	Please indicate the total number of employees hired on temporary/contractual and casual basis.	391 employees including employees of subsidiaries and associates.																				
3	Please indicate the number of permanent women employees.	866 employees including employees of subsidiaries and associates.																				
4	Please indicate the number of permanent employees with disability.	The Company does not specifically track the number of disabled employees. The Company gives equal opportunities and treats all employees at par with equal respect and dignity.																				
5	Do you have an employee association that is recognized by management?	No																				
6	What percentage of your permanent employees is members of this recognized employee association?	NA																				
7	Please indicate the Number of complaints relating to, discriminatory employment category, child labour, forced labour, involuntary labour, sexual harassment (in the last Financial Year and pending, as on the end of the Financial Year.	<p>Complaints received during the Financial Year under review:</p> <table border="1"> <tr> <td>• discriminatory employment</td> <td><b>NIL</b></td> </tr> <tr> <td>• child labour</td> <td><b>NIL</b></td> </tr> <tr> <td>• forced labour</td> <td><b>NIL</b></td> </tr> <tr> <td>• involuntary labour</td> <td><b>NIL</b></td> </tr> <tr> <td>• sexual harassment</td> <td>5</td> </tr> </table> <p>Complaints pending as on the end of the Financial Year:</p> <table border="1"> <tr> <td>• discriminatory employment</td> <td><b>NIL</b></td> </tr> <tr> <td>• child labour</td> <td><b>NIL</b></td> </tr> <tr> <td>• forced labour</td> <td><b>NIL</b></td> </tr> <tr> <td>• involuntary labour</td> <td><b>NIL</b></td> </tr> <tr> <td>• sexual harassment</td> <td><b>NIL</b></td> </tr> </table>	• discriminatory employment	<b>NIL</b>	• child labour	<b>NIL</b>	• forced labour	<b>NIL</b>	• involuntary labour	<b>NIL</b>	• sexual harassment	5	• discriminatory employment	<b>NIL</b>	• child labour	<b>NIL</b>	• forced labour	<b>NIL</b>	• involuntary labour	<b>NIL</b>	• sexual harassment	<b>NIL</b>
• discriminatory employment	<b>NIL</b>																					
• child labour	<b>NIL</b>																					
• forced labour	<b>NIL</b>																					
• involuntary labour	<b>NIL</b>																					
• sexual harassment	5																					
• discriminatory employment	<b>NIL</b>																					
• child labour	<b>NIL</b>																					
• forced labour	<b>NIL</b>																					
• involuntary labour	<b>NIL</b>																					
• sexual harassment	<b>NIL</b>																					
8	How many training sessions conducted in the Financial Year under review? <ul style="list-style-type: none"> <li>• Permanent Employees</li> <li>• Permanent Women Employees</li> <li>• Casual/Temporary/Contractual</li> <li>• Employees with Disabilities</li> </ul>	All employees of the Company are extended safety & skill up-gradation training conducted across organizations.																				

**Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

The key stakeholders identified include: Customers, Employees, Business Partners (Suppliers and Vendors), Community, Investors, Government Bodies, Industry Associations, Non-governmental Organizations (NGOs) and Academic Institutions. Our approach towards responsible and sustainable business practices undergoes a systematic mapping through regular engagement with its internal and external stakeholders. This practice helps the Company to prioritize key sustainability issues in terms of relevance to its business and stakeholders, including society and clients.

**Q&A pertaining to Principle 4**

1 Has the company mapped its internal and external stakeholders?	Yes. The Company has mapped its stakeholders and they include, but are not limited to, Shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve.
2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company is an equal opportunity employer. It has policies instituted to prevent sexual harassment, aid safety of employees, obtain the voice of employees' opinions and grievances through employee touch base, periodic employee satisfaction surveys and code of conduct.
3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company engages with each of its stakeholders through multiple channels and includes engagement initiatives, feedback process, Code of Conduct briefings and investor meetings.

**Principle 5 - Businesses should respect and promote human rights**

Our TeamLease Code of Conduct and Business Ethics and various HR Policies demonstrate our commitment towards protection of Human Rights across value chain and upholding highest level of ethical business practices.

**Q&A pertaining to Principle 5**

1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?	The Company supports and respects the protection of internationally proclaimed human rights, labour standards and environmental protection measures. The Company does not hire child labour, forced labour or involuntary labour and the practice extends to the entire TeamLease Group. The Suppliers / Contractors / NGOs dealing with the Company are always encouraged to maintain ethical standards in all their practices.
2 How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by management?	For details on investor complaints, refer to investor complaints section of Corporate Governance report. No complaints relating to Human Rights were received during the Financial Year.



**Principle 6 - Business should respect, protect, and make efforts to restore the environment**

Along its journey towards path of sustainability, the Company explored and implemented several green solutions. It is also continuously in search of more energy efficient technologies and innovative solutions for a greener future.

**Q&A pertaining to Principle 6**

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	NA
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	NA
3	Does the company identify and assess potential environmental risks? Y/N	NA
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	NA
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As on date, the Company does not have any project registered with Clean Development Mechanism (CDM), but we are having various initiatives related to clean technology and we strive to identify CDM potential in all endeavors..  <ul style="list-style-type: none"> <li>The employees are encouraged and informed regularly on effective utilization of natural resources like water, conservation of fuel and on electricity consumption.</li> </ul>
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	NA
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NA

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company works closely with all industry associations and trade chambers to ensure its public policy positions complement and advance its sustainability and citizenship objective.

**Q&A pertaining to Principle 7**

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Indian Staffing Federation
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	No, However, as a pioneering Staffing Company, TeamLease Services Limited engages with various Stakeholders including various government departments to facilitate progressive and pragmatic policies that can address the daunting challenges of the country.

### Principle 8 - Businesses should support inclusive growth and equitable development

As India's leading staffing Company service provider, the Company has been taking sustained efforts to ensure value creation and sustainable growth of community. Its sustainability framework is structured to create a positive impacts on its customers, partners, communities and society, helping them grow together and inclusively.

#### Q&A pertaining to Principle 8

1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company focusses on responsible business practices with community centric interventions. The thrust areas are sustainable livelihood – especially skill development and employability training and education, all of which constitute the Human Development Index – a quality of life indicator.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	The Company's core objective is to provide Employment Employability and E-workforce through skill development and training which is mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills.
3	Have you done any impact assessment of your initiative?	Yes
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	<b>Annexure V</b> of Board's Report
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company's core objective is to provide Employment Employability and E-workforce, through skill development and training which is mainstream to eradicate poverty, promotion of education, employment enhancing vocational skills.

### Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

The long-term strategic goal of the Company is to innovate and deliver a wide range of cost effective, secured, timely, and customized services with the best technology. The Company actively seeks customer feedback, acts on it, and improves its customer service and in the process improve its products, services, and processes

#### Q&A pertaining to Principle 9

1	What percentage of customer complaints/consumer cases are - pending as on the end of Financial Year	Nil, A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so	Nil
4	Did your company carry out any consumer survey/ consumer across satisfaction trends?	We interact with our clients on a regular basis and on multiple platforms. We are focused on paying close attention to the voice of the customer.

# MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT

## Indian Economy

The Indian economy recorded steep decline in real GDP to 7.3% in the fiscal year 2020-21<sup>1</sup> due to the coronavirus pandemic. The nation-wide lockdown enforced since 25th March 2020 to 31st May 2020, in phases, disrupted the supply chain which led to an economic crisis.

Industrial and services sector were severely hit as an immediate effect of restricted mobility and social distancing. However, the sectors gathered momentum post unlocking the economy in the September quarter, spurred by the pent-up demand and propelled by rise in economic activities. Agriculture sector, backed by good monsoons and bumper harvests, was the only sector to register positive growth of 3.6% in output in the fiscal year 2020-21. While the industry and services registered sequential growth in the last two quarters, the annual growth contracted by -7% and -8.4%, respectively.<sup>2</sup>

The Reserve Bank of India adopted an accommodative monetary policy to maintain repo rate at 4% since May 2020 even as CPI based inflation hovered past 6% mark for 10MFY21. The policy measures intended to infuse liquidity into the system and lower the cost of borrowing by controlling the yields.

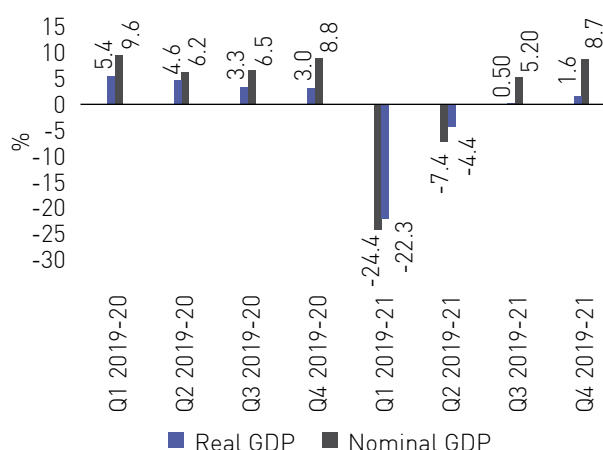
The Government consumption increased consistently over quarters, to stimulate demand, with nearly 25% growth in Q4FY21 over the 18% growth in Q4FY20. Private consumption reached its inflection point in Q3FY21 and grew by 7% in Q4FY21, driven primarily by vaccination progress and resumption in economic activities. While similar trend has been observed for investments, both private and gross fixed capital formation contracted on year to -6% and -8.5% respectively in FY21.

### Outlook

Key economic indicators have been recording sequential increase in the last two quarters of the fiscal year 2020-21. The IMF revised its GDP growth for India by 100 basis points between January to April 2021, to 12.5% in FY22 based on the normalisation in economic activities and availability of

vaccines<sup>3</sup>. However, the resurgence in covid 19 waves along with deadly mutations and other pathogens are likely to have dislodged the economy from its track. The break in continuity is further compounded by a deficient health infrastructure and an overstretched fiscal position to cushion any impending crisis. The inflationary trends that picked up since February 2021 could experience upward pressure from global commodity price trends, geopolitical tensions and domestic supply chain disruption due to the contagion making inroads to rural economy along with food and fuel prices.

### Quarterly GDP Growth (year on year)



Source: MOSPI

### Global Staffing Industry

The global staffing industry has expanded at a phenomenal rate between 2015 and 2019, with estimates indicating further market growth in the coming years. Rising Gross Domestic Product (GDP), increasing preference for temporary staffing solutions, growing industrial development and a millennial population is anticipated to drive the staffing market. Along with this, outsourcing of Human Resource (HR) operations and globalization are expected to further add impetus to this segment. However, talent shortage and an ageing population

<sup>1</sup> MOSPI – NSO press release dated 31st May 2021

<sup>2</sup> CARE Ratings: India's economic growth in Q4 FY21; dated 31st May, 2021

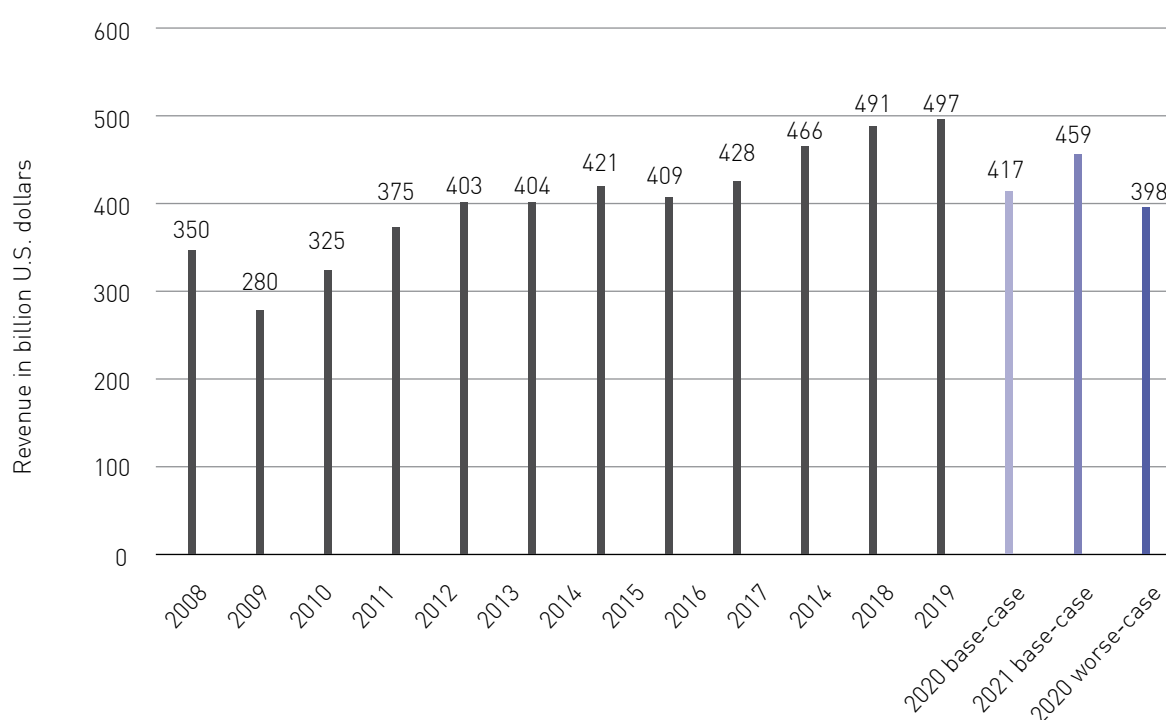
<sup>3</sup> IMF World Economic Outlook April 2021

continue to weigh on the prospects of this sector and appear to be major hurdles for the sector.

Staffing companies act as intermediaries to find and/or supply temporary, contractual and permanent employees to businesses across sectors. Global estimates suggest, 45% of staffing revenue of around \$224 billion is generated from the top 100 largest firms in the world<sup>4</sup>. The global staffing industry generated revenue of USD 497 billion in 2019 (EUR 444 billion)<sup>5</sup>. The United States, Japan, and the United Kingdom were major contributors, with the top 14 nations accounting for 87 percent of overall global staffing revenue<sup>2</sup>.

However, the COVID-19 pandemic has decelerated revenue growth in the global staffing industry. Revenue from the industry is anticipated to record degrowth between 16% to 21% in 2020, as compared to 2019<sup>6</sup>. As healthcare and pharmaceutical sectors were least affected during the pandemic, staffing and recruitment continued in this sector despite the overall economic sluggishness. On the other hand, aviation, hospitality and travel have been the hardest hit sectors with substantial impact on recruitment in these sectors.

### Global staffing industry revenue (in USD billions)



Source: Statista (published 30th March, 2021)

### Impact of COVID-19

The COVID-19 pandemic has left an indelible imprint on all industries around the world. The staffing industry played a pivotal role to mobilise the workforce and helped clients to adjust to new methods of recruitment. With the prominence of the 'work-from-home' culture, organisations were compelled to adopt advanced technology and find innovative ways to resume work. An abrupt shift in workforce demand was also witnessed in 2020 due to partial or full closure of businesses. However, vertical spikes in recruitment were witnessed in sectors like logistics and healthcare only.

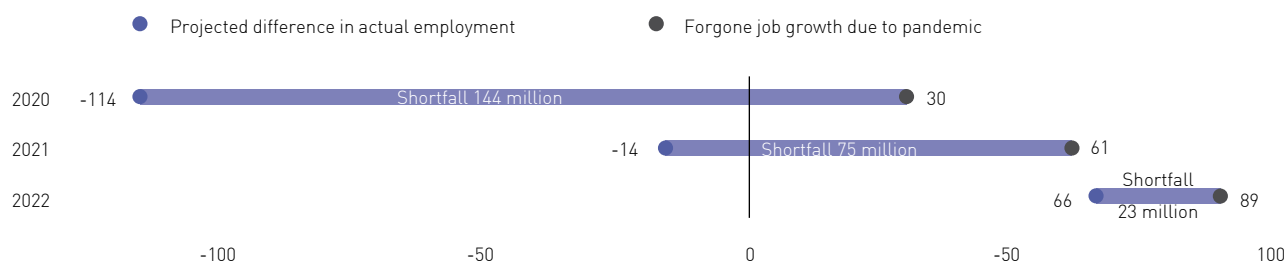
Moreover, the staffing segment has witnessed a rapid transition after the pandemic. Candidates are no longer chosen for their professional capabilities or educational qualifications alone. Instead, they are being tested for their ability to adapt to given skillsets required for any open position. Thus, selection processes around the world have seen phenomenal changes.

<sup>4</sup> SIA, 2020: <https://www2.staffingindustry.com/About/Media-Center/Press-Releases/Largest-Staffing-Firms-Globally-Report-USD-224-Billion-in-Revenue>

<sup>5</sup> SIA, 2020: <https://www2.staffingindustry.com/eng/About/Media-Center/Press-Releases/SIA-Predicts-Global-Staffing-Market-Revenue-Could-Decline-by-up-to-37-in-2020>

<sup>6</sup> <https://staffinghub.com/covid-19/staffing-industry-revenue-expected-to-fall-by-21-in-2020/>

## Pandemic induced global shortfall in jobs (relative to 2019, in millions)



**Note:** The red dots denote the projected difference in actual employment relative to 2019. The blue dots denote the development that would have been expected had there been no pandemic, hence showing forgone employment growth. The numbers inside the bars refer to the total pandemic-induced shortfall in jobs in a given year (that is, the shortfall due to the combination of actual employment losses and forgone employment growth).

Source: World Employment and Social Outlook Trends, April 2021

### Developed and Developing Economies

The COVID-19 pandemic has transformed from an unprecedented economic crisis to a deep health crisis. The pandemic has resulted in massive job losses, an unprecedented drop in remittances and recessions in major economies around the world. Global unemployment increased by 33 million during this period, reaching 220 million in 2020 as unemployment rate increased 1.1 percentage points to reach 6.5 per cent<sup>7</sup>. In 2020, women have been worst hit in comparison to men and many have lost jobs during the pandemic.

The United States (US) staffing market is estimated to have declined by 8% in 2020, as per latest report<sup>8</sup> and projected to grow by 11% in 2021. The United Kingdom (UK) staffing market is also likely to witness contraction in 2020 with the recruitment firms witnessing severe financial stress due to the pandemic. Similarly, the developing economies of India and China suffered huge job losses, significantly impacting the staffing markets in these regions.

### Outlook

The global staffing market has started showing signs of recovery after successful vaccination drives in many parts of the world. The global healthcare staffing market is estimated to expand from USD 28,545.73 million in 2020 to USD 38,879.13 million by 2025<sup>9</sup>. In the coming years, technology will play a pivotal role in the staffing process. Artificial intelligence will also support significant advances to find the right candidates for various open positions.

### Indian Staffing Industry

The staffing industry in India has grown to unprecedented levels, especially in the field of third-party payroll service providers. With the rise of commerce and trade in India, there has been a lot of activity in the staffing sector. Temporary hiring has seen tremendous growth over the past few years. The staffing industry effectively offers a platform for recognised jobs, job preference, fair pay, annual benefits, and health benefits for the temporary workforce in India. According to the Indian Staffing Federation, 15 leading companies operate in this sector and account for revenues of ₹ 270 billion<sup>10</sup>.

The staffing market in India has been severely impacted by the COVID-19 pandemic in FY2020-21, with many workers losing their jobs. Unemployment in India peaked to a record 23.52% in April 2020 and declined to 6.5% in March 2021, due to growth in economic activities in the last two quarters. As of March 2021, there were 76.2 million salaried employees in India against 85.9 million salaried jobs observed in the previous fiscal. As a result, the market is now flooded with experienced and employable job seekers. On the other hand, sectors including healthcare, Indian Information Technology- Business Process Management (IT-BPM) and telecommunications have seen a rise in staffing.

### COVID-19 impact

The COVID-19 outbreak in India, as well as the subsequent national lockdown that began on March 25, transformed the employment landscape in the country. An estimated 11 million non-farm jobs were lost in FY21 due to the lockdowns,

<sup>7</sup> International Labour Organization (ILO) Monitor: COVID-19 and the world of work. Seventh edition

<sup>8</sup> Staffing Industry Analysts US market estimates released April 2021

<sup>9</sup> Global Healthcare Staffing Market (2020 to 2025) by Research and Markets

<sup>10</sup> ISF, 2020

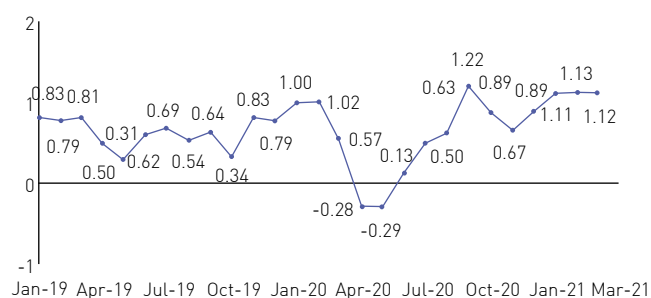
and the loss distributed equally between business persons, salaried and daily wage earners<sup>11</sup>.

The aviation, hospitality, and travel industries were the hardest hit by the COVID lockdown due to the social distancing and hygiene requirements disrupting their people aggregating business model. As the economy gets back on track after the lifting of lockdown restrictions, the job market is showing signs of recovery.

Estimates suggest that over 1 million jobs were created in 2020 and employment generation is likely to have stabilised during the last quarter, as observed from EPFO data. In January 2021, almost 12 million people found employment, taking the total number of employed people to 400.7 million in comparison to 388.8 million in December 2020<sup>9</sup>.

However, having short lived, the unemployment trend pulled up in April 2021 due to the second wave of Covid 19, resulting into 15 million job losses in May 2021.<sup>12</sup> This translated into loss in employment which fell to 375.5 million in May 2021 from 390.8 million in April 2021.<sup>13</sup>

#### Net new EPF subscribers (in millions)



Source: BCG India Economic Barometer

#### Women at workplace

The share of female EPFO subscribers increased by 2.61 lakh in January 2021 thereby recording 30% monthly sequential increase.<sup>14</sup> This can be largely attributed to their increased participation as care-takers and healthcare workers during the pandemic and more opportunities in facility management and the packaging services sectors.

Although, women have been offered job flexibility and better opportunities during the pandemic, as many as 85% of women have not received a raise or promotion due to gender discrimination<sup>15</sup>. Besides issues related to parity in compensation, gender discrimination and obligation towards family and homely affairs, hamper the efforts towards gender inclusion at workplaces.

### Major hiring trends for 2020-21

#### Rise of remote workplaces

The year 2020 shed new light on the idea of remote working. Without being constrained by the geographical boundaries of the workplace, employees were given the flexibility to work remotely from a place of their choice. This allowed employers to hire candidates from different parts of the country and the world. Due to remote working opportunities, many companies have seen better efficiency and greater employee productivity. Flexible timings and reduced travel time made a remarkable impact on employees.

In 2021, work from home will be the biggest staffing trend observed across the industry. It will continue to boost recruitment efforts globally and enable companies to secure trained professionals from any part of the world. The use of advanced technology has also aided the rapid growth of remote workplaces.

#### Project-based hiring

The pandemic changed the way organisations work. Many companies hired freelancers or opted for project-based hiring as new modes of coping with rapid shifts in workplace norms. It is expected to open up more opportunities for domain experts looking for short-term projects. The trend is expected to be the 'new normal' in 2021 and is anticipated to boost productivity.

#### Focus on Retention

For any company, higher attrition rates are a cause of concern. Reinvesting in recruitment and training incurs additional expenses for the company. Therefore, retaining experienced employees help companies to create a better work culture and propagate a shared vision. Employers with a good reputation in the industry are often preferred for long-term employment. But, the Covid-19 pandemic compelled organisations to change their hiring patterns. By the second half of 2020, employment rates increased and in 2021, HR managers are anticipated to revamp hiring policies to adapt to a new normal.

#### Digitalisation and use of AI

Hiring processes have been upgraded over the years with the efficient utilisation of Artificial Intelligence (AI). It has completely automated the verification and onboarding practices. Organisations have moved from traditional analytics to data-driven approaches that help to aid recruitment efforts. The use of advanced algorithms facilitates the selection of

<sup>14</sup> EPFO data

<sup>15</sup> <https://www2.staffingindustry.com/row/Editorial/Daily-News/India-Most-women-miss-out-on-raises-and-promotions-because-of-their-gender-Business-Today-56897>

the most appropriate employees for specific positions. It also helps to match candidates with the organizational culture, thereby finding ideal fits for companies.

Remote hiring processes have also improved due to the growing penetration of digitalisation in recruitment efforts. Companies are using advanced technology for remote interviews, payroll and attendance management as well. In 2021, digitalisation is anticipated to play a major role in hiring processes and seamless onboarding of candidates.

### Outlook

The Indian staffing market is likely to experience strong growth in FY21 after overcoming the hurdles posed by the COVID-19 pandemic. With the transition towards a digital era, Information Technology (IT) staffing is likely to see an upsurge, indicating trends for strong hiring growth in this segment. Recruiters and consultants are also optimistic about staffing growth in the near term. Moreover, the rapid adoption of technology for recruitment and staffing is likely to make new inroads in the industry.

### Flexi Staffing Industry

Flexi or temporary staffing allows companies to hire employees for brief periods, either for a fixed tenure or until the culmination of an assigned task. Staffing agencies generally hire these candidates on a contractual basis. The concept of flexi-staffing is constantly gaining prominence in the staffing industry and is helping organizations fulfil short-term assignments or goal-oriented objectives.

According to the Economic Survey 2020-21, India emerged as one of the largest countries for flexi-staffing during the pandemic, creating huge opportunities for job seekers. Moreover, digital networks continue to facilitate staffing, allowing job seekers and employers to easily connect with each other in the absence of middlemen. During the lockdown, employers offered 'work from home' positions and to reduce overhead costs many employers hired freelancers or contractual employees. The demand for project-specific consultants, logo/content creators, web designers, and other white-collar jobs increased at a rapid pace. Jobs for delivery boys and taxi drivers were also on the rise.

Gig or platform workers had no social security benefits until recently. These workers have now been placed under the Code on Social Security 2020, which categorises them as unorganised workers who are eligible for social security benefits.

With permanent and stable employment opportunities becoming less attractive in India, the flexi-staffing or contractual/temporary staffing industry is projected to increase in size. In India, flexi-staffing offers a lucrative proposition for people engaged in the IT sector and other related services.

### IT Flexi Staffing Industry

The Information Technology (IT) industry requires talent for making use of emerging technology such as Big Data, Artificial Intelligence (AI), Robotics and Cloud Computing. As a result, the IT sector often intends to hire candidates 'on a need' basis instead of opting for permanent employees. It has not only contributed to their cost saving measures but have also allowed them to maintain a competitive edge in the market. India is expected to witness 22.75 CAGR growth in flexi-staff workforce from 3.3 million in 2018 to 6.1 million in 2021<sup>16</sup>. IT and IT-enabled services sectors are predicted to be the greatest contributors to this segment, recording the largest market penetration in the flexi staffing industry .

The IT staffing market continued to grow even during the pandemic in FY2020-21 as it helped organisations to adapt to changing business dynamics. Flexible work schedules and access to highly qualified staff allowed this segment to sustain growth even through the pandemic. DevOps programmers, UX builders, big data experts, cloud developers, embedded data scientists, cryptography, and quantum computing are some of the areas that are gradually becoming prominent in the gig economy. Along with low-code programming where little or no coding is needed to create applications, use of Python, artificial intelligence, machine learning, computer processing, cybersecurity, and quantum computing is going to be rampant in the years ahead and the gig economy is expected to play a huge role in the growth of this segment in future.

### Online Recruitment Industry

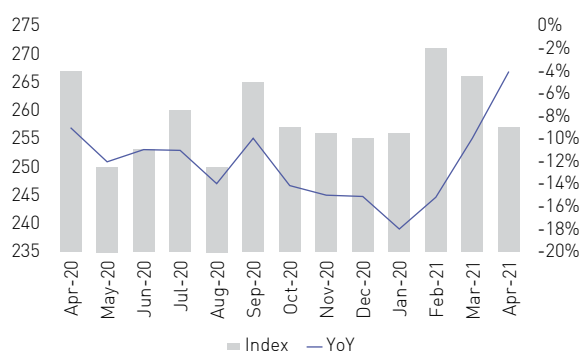
Online recruitment in India is likely to have witnessed degrowth over year during the fiscal year 2020-21 even as signs of revival during the last quarter, reversed in April 2021 due to the second wave of the pandemic. During the last quarter, the industries that registered positive year on year growth were Agro based, Median and Entertainment, Telecom/ISP and Logistics and transportation sector including courier and freight. During the same period, sectors such as BPO/ITES, Oil and Gas, Travel and Tourism, Education witnessed negative annual growth, with travel and tourism residing in the negative territory consistently since the covid outbreak.<sup>17</sup>

<sup>16</sup> Indian Staffing Federation report

<sup>17</sup>Monster Employment Index : Hiring trends, monthwise analysis



### Online recruitment trends



Source: Monster Employment Index

India's demand for online recruitment will be boosted by the rising use of social media sites and the increasing adoption of advanced technology.

### Skilling Industry

India has gradually transitioned into a knowledge-based economy owing to a growing population of highly educated and skilled individuals. It has enhanced the efficiency and flexibility of the labour market, offering a competitive edge to candidates. The government has also introduced several skill development programmes, aimed at enhancing the economic prosperity of the nation.

Despite the pandemic in FY21, people across the world found ways to remain connected and explored opportunities to enhance their skills and capabilities. As industries across sectors continue to rely on technology to ensure business continuity, the demand for candidates trained in digital and coding skills continue to increase. Besides, critical thinking, creativity, innovation and technological know-how have been found to be some of the other necessary qualities for prospective employees.

For organisations, it was extremely challenging to adapt to unforeseen changes at the workplace, especially with remote working becoming the new normal. Technological advances and a skilled workforce helped many companies to tide through the crisis without major difficulties.

#### Government Initiatives

- Pradhan Mantri Kaushal Vikas Yojana: The scheme aims to engage a significant number of Indian youth in relevant skill training programs that can help them to secure better opportunities. Individuals with previous experience or expertise are evaluated and accredited in accordance with the Recognition of Prior Learning programme (RPL).
- Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP): This scheme has been developed

by the Ministry of Skill Development with loan facilities from World Bank. Its mission is to improve the quality of short-term skill training by strengthening institutions and improving business facilities. It aims to help disadvantaged people gain access to mainstream jobs.

- UDAAN: Udaan is a Special Industry Initiative (SII) for the youth of Jammu and Kashmir (J&K), funded by Ministry of Home Affairs and implemented by National Skill Development Corporation (NSDC). The Udaan programme is targeted for graduates, post graduates or three-year diploma engineers. Its aim is to impart skill training and improve work prospects.
- Skills Strengthening for Industrial Value Enhancement (STRIVE): This initiative, assisted by the World Bank and undertaken by the Indian government, aims to improve the relevance of skill training offered by Industrial Training Institutes (ITIs) and apprenticeships.

### RegTech (Regulatory Technology) Industry

The RegTech industry promises to provide sophisticated solutions for the banking and financial sector. Stringent regulations and compliance issues govern the operations of banks and other financial institutes. To avoid complications related to non-compliance, the RegTech industry continues to equip the financial sector with efficient solutions. They provide solutions for Identity Management & Control, Risk Management, Transaction Monitoring, Compliance and Regulatory Reporting. Going forward, the industry is expected to encourage the adoption of globally aligned standards and practices that help to resolve technical barriers to trade.

#### Global Overview

The RegTech market was estimated at around USD 2175.6 million in 2019 and is expected to increase to USD 10360 million by 2026. An expected CAGR growth of 24.7% has been predicted from 2021 to 2026<sup>18</sup>. They play a major role in financial and banking services, to provide Customer Credit Scoring, Know Your Customer (KYC), trade data tracking and fraud prevention. Enterprises are implementing risk management programs to tide through the financial crisis caused by the pandemic. Globally, companies adopted and invested in these solutions for effective functioning of their businesses.

Due to stringent rules and regulations for financial transactions and data protection, Europe has the highest rate of RegTech adoption. Companies are also shifting to cloud based SaaS platforms to reduce hardware and infrastructure expenses. The Asia Pacific region holds a huge potential for RegTech industry owing to the growth in emerging countries such as

<sup>18</sup> Market Watch article published 9th April 2021

India, Hong Kong and Singapore. As a result, RegTech in Asia Pacific region is expected to grow at the highest compound annual growth rate (CAGR) by 2023<sup>19</sup>.

### India Overview

India too realised the advantages of the RegTech industry and continues to implement processes for managing regulatory issues. However, the pandemic has called for the replacement of physical touchpoints. As a result, real-time user authentication and Optical Character Recognition (OCR) continues to be used. Many Indian banks have also adopted artificial intelligence (AI) to prevent fraudulent activities. Moreover, reinforcement of regulatory and supervisory capabilities for effective use of data continue to spur Indian markets.

### Corporate Overview

TeamLease Services is a leading HR services company offering a range of solutions to 3500+ employers for their hiring, productivity, and scale challenges. A Fortune India 500 company listed on the NSE & BSE, TeamLease has hired 18 lakhs+ people over the last 19 years. One of India's fastest growing employers, TeamLease also operates India's first Vocational University and India's fastest growing PPP National Employability through Apprenticeship Program (NETAP). The Company offers solutions to large, medium, and small clients across the 3Es of employment (over 1.7 lakhs employees), employability (over 2 lakhs students) and Ease-of-doing Business (over 1000 employers).

The Company, in partnership with the Government of Gujarat has set up India's first vocational university, TeamLease Skills University (TLSU) in Vadodara. The company at present has nearly 2,00,000 associates/trainees across the country, in more than 6,600 locations. Till date, the Company has offered employment to around 1.7 million people.

### SWOT Analysis

#### Strengths

- Significant market share with an established brand reputation.
- Transparent and efficient hiring policies.
- Continuous technological upgradation.
- Diverse client portfolio, spanning various sectors.
- PAN India presence.

#### Opportunities

- Government initiatives to boost employment opportunities.
- Increasing demand for flexi staffing after the pandemic.
- Significant opportunities for growth in the online recruitment market.

#### Weaknesses

- Restricted exposure to international market.
- Risk posed by inorganic growth.

#### Threats

- Due to the economic recession after the COVID-19 pandemic, hiring may be curtailed.
- Increasing market competition.

### Financial Highlights

Particulars	FY 2020-21	FY 2019-20	Comments
Revenue from Operations	488,145.67	5,20,072.26	-6.14%
EBITDA	9742.09	9,300.92	4.74%
PAT	7847.47	3,497.53	124.37%
EPS	45.33	20.46	121.56%

<sup>19</sup> <https://www.researchandmarkets.com/reports/4614548/global-regulatory-technology-regtech-market>

## Financial Ratios

Ratios	FY 2020-21	FY 2019-20
Debtor Turnover	17.02	18.56
Current Ratio	1.52	0.99
Debt Equity Ratio	-	0.13
Operating Profit Margin	2.00%	1.79%
Net Profit Margin	1.60%	0.67%
Return on Net Worth	11.89%	6.11%

## Risk Management

Risks	Meaning	Mitigation
Macroeconomic risk	Macroeconomic volatility and economic downturns have an impact on employment generation and talent mobility, leading to increased costs and reduced demand for the business.	The Company uses a flexible approach to respond to changing business dynamics and strives to maintain favourable relations with clients and candidates to efficiently run the business.
Financial risk	The COVID-19 pandemic poses serious threats to revenue generation and business profitability.	The COVID-19 pandemic poses serious threats to revenue generation and business profitability.
Talent acquisition and retention	The Company's ability to recruit and retain candidates and associates with necessary qualifications and experience to satisfy a wide range of client requirements is crucial for business success.	The Company strives to attract the best talent through traditional and online recruitment platforms. The company also ensures career advancement through trainings and opportunities for reskilling and upskilling.
Regulatory risk	The HR solutions industry works within a legal system that is intended to benefit the government, employees, private employment agencies, and their clients. A changing political climate could result in ineffective or unbalanced regulation, which could have an impact on the Company's business model.	The Company adheres to industry regulations and is accountable to all its stakeholders for fulfilling its legal and regulatory obligations. It ensures complete transparency in its conduct and strives to remain ethical and accountable.
Workplace safety	The employees could be subjected to unsafe workplace conditions, which may lead to higher absenteeism, job strikes, and medical costs.	The Company has implemented a robust Employee Health & Safety Policy. This policy aims to promote health and safety of employees, with a sharp focus on health awareness and safety procedures during the pandemic.
Technological risk	Technological disruption is threatening the traditional recruitment and staffing industry. New delivery platforms and non-traditional competitors are gradually gaining momentum.	The Company has developed a technology-driven business strategy that allows it to respond to evolving consumer demands while still staying ahead of the competition.
Credit risk	Delays in client payment may result in higher working capital expenditure and interest costs.	The Company follows robust practices for invoicing and credit control. The collection status is monitored and reported on a regular basis, with allowances for expected credit loss.

## Cautionary Statement

The statements made in this report describing the Company's objectives, estimations, expectations, projections, outlooks, constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.



# **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Services Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of TeamLease Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Qualified Opinion

Attention is invited to Note 46 to the accompanying standalone Ind AS financial statements, more fully explaining management's position in relation to non-provision for possible shortfall in the value of the assets of the Provident Fund Trust managing the Company's defined benefit plan ("Team Lease Employees Provident Fund Trust" or "PF Trust"). The PF Trust has made unsecured investments of ₹ 17,373.78 lakhs in bonds of certain non-banking financial companies ("NBFC Companies"), which are under severe liquidity stress. These bonds fall due for repayment between FY 2020-21 to FY 2026-27. In the absence of sufficient evidence regarding eventual repayment of the bonds (including interest arrears) by the NBFC Companies, we are unable to comment on the appropriateness or otherwise of management's position regarding the non-provisioning of the possible shortfall in the value of the assets of the PF Trust and the consequential impact on the standalone Ind AS financial statements and financial position of the Company as at and for the year ended March 31, 2021. Our audit report for the year ended March 31, 2020 was also qualified in respect of this matter.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>A. Revenue recognition and recoverability of trade receivables</b>	
<p>The Company revenues for the financial year ended March 31, 2021 is ₹ 446,593.69 Lakhs, majority of which are from General staffing and allied services. The Company has various streams of revenue with multiple types of customer contracts characterized by a large volume of transactions.</p>	<p>We understood, evaluated and tested the operating effectiveness of internal controls over revenues and trade receivables processes.</p>
<p>Trade receivables of ₹ 21,594.23 Lakhs represent significant portion of the total assets as at March 31, 2021. The Company has adopted a provisioning policy in respect of trade receivables based on historical trends and available industry information.</p>	<p>We selected samples from various types of customer contracts and tested the occurrence, completeness and measurement of those transactions by inspecting the underlying documents.</p>
<p>Due to the multiple types of revenue contracts with large volume of transactions and significant judgement required by the management to estimate provision for trade receivables, this matter is considered as a key audit matter.</p>	<p>We performed audit procedures on existence of trade receivables, which included obtaining and comparing balance confirmations with books, testing of invoices and subsequent collections for audit samples selected.</p>
<p>Refer to Note 27 and Note 15 to the standalone Ind AS financial statements for the Company's disclosures on revenues and trade receivables, respectively.</p>	<p>We evaluated the assumptions used to calculate the provision for trade receivables through analysis of ageing, historical collection and bad debts write-off trends, specific individual circumstances of the customers and forward-looking estimates taking into account the possible effect of current economic environment arising from COVID-19 situation.</p>
	<p>We assessed the disclosures in the standalone Ind AS financial statements for compliance with the disclosure requirements.</p>
<b>B. Investments/ Loans and advances to group companies</b>	
<p>As at March 31, 2021, the Company has non-current investments in subsidiaries and joint venture of ₹ 31,388.48 Lakhs which are carried at cost. In accordance with Ind AS, these investments are tested for impairment using discounted cash-flow models, i.e., the recoverable value of each investment is compared to the respective carrying value as at the balance sheet date. Deficit, if any, between the recoverable value and the carrying value results in an impairment provision.</p>	<p>We assessed and tested the operating effectiveness of the internal controls over preparation of annual budgets and future forecasts for various business reporting units including impairment assessment for investments and loans.</p>
<p>The key inputs and assumptions used in the aforesaid model are following:</p>	<p>We compared the future operating cash flow forecasts considered for impairment assessment with the business plan and budgets duly approved by the Board of Directors of the Company.</p>
<ul style="list-style-type: none"> <li>• Revenue growth rate</li> <li>• Operating margins</li> <li>• Long-term growth rate</li> <li>• Discount rate</li> </ul>	<p>We involved our valuation specialists to perform an evaluation of the Company's valuation model and the underlying key assumptions, including long-term growth and discount rates taking into account the possible effect of COVID-19 situation.</p>
<p>Further, the Company has granted interest bearing long-term loans to group companies. Management assesses the recoverability of such loans after taking into account the future cash flow surpluses expected to be generated by the respective borrower entities.</p>	<p>We evaluated sensitivity of the valuation to changes in key assumptions and compared the assumptions to corroborating information including industry reports and competitor's information, historic performance of the Company, economic developments and industry outlook.</p>
<p>Due to the significant carrying values of these investments and loans to group companies; and significant management judgments and estimates involved in performing assessment of impairment and recoverability of loans, this matter is considered as a key audit matter.</p>	<p>We obtained and read the audited financial statements of the subsidiaries and joint venture to understand the net worth, cash flows and other financial information.</p>
<p>Refer to Note 7 and Note 9 to the standalone Ind AS financial statements.</p>	<p>We assessed the disclosures in the standalone Ind AS financial statements for compliance with the disclosure requirements.</p>



## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Corporate Governance Report, Business Responsibility Report and Report on Management Discussion and Analysis included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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.

## Responsibilities of the Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

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

statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 that:
  - (a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (j) 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 standalone Ind AS financial statements – Refer Note 43 to the standalone Ind AS 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.

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

per **Navin Agrawal**  
Partner  
Membership Number: 056102  
UDIN: 21056102AAAABK5724

Place: Bengaluru  
Date: June 9, 2021

# ANNEXURE 1

referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial statements of TeamLease Services Limited.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loan to one of its wholly owned subsidiary company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the Company’s interest.
- (b) The loan granted is re-payable on demand. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act, which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to Directors / to a company in which Directors are interested to which provisions of section 185 of the Act apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made, guarantees and securities given, to the extent applicable, have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of professional tax in few cases and serious delays in remittance of employee state insurance and provident fund dues in many cases.
- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income-tax and service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	445.35#	April 2006 to December 2008	The Custom, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	463.03	October 2010 to July 2017	The Commissioner of Service Tax, Bengaluru
Income Tax Act, 1961	Income Tax	29.65	Assessment Year 2013-14	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	60.42	Assessment Year 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	48.85*	Assessment Year 2018-19	The Assistant Commissioner of Income Tax

# net of amount paid ₹ 442.46 lakhs

\*net of amount paid ₹ 12.21 lakhs

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. The Company did not have loans and borrowing in respect of government or dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of term loans were applied for the purposes for which those were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 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.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Navin Agrawal**

Partner

Membership Number: 056102

UDIN: 21056102AAAABK5724

Place: Bengaluru

Date: June 9, 2021

## ANNEXURE 2

### to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of TeamLease Services 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 standalone Ind AS financial statements of TeamLease Services Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal

financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

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

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

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS 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 standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls as at March 31, 2021 as regards non-provision of possible shortfall in the value of the assets of the Provident Fund Trust managing the Company's defined benefit plan for employees provident fund obligations. Our audit report for the year ended March 31, 2020 was also qualified in respect of this matter.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone Ind AS financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as of March 31, 2021, 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.

### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of TeamLease Services Limited, which comprise the Balance Sheet as at March 31, 2021, and the related Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone Ind AS financial statements of TeamLease Services Limited and this report affects our report dated June 9, 2021, which expressed a qualified opinion on those financial statements.

For **S.R. Battiboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Navin Agrawal**

Partner

Membership Number: 056102

UDIN: 21056102AAAABK5724

Place: Bengaluru

Date: June 9, 2021

# STANDALONE BALANCE SHEET

as at 31 March 2021

₹ in lakhs

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	815.20	999.88
Right of use assets	5	1,852.35	3,655.68
Other intangible assets	6	121.95	30.30
Intangible assets under development		1,441.31	1,142.40
Financial assets			
Investments	7	31,388.48	28,694.42
Loans	9	2,621.47	9,579.77
Other financial assets	11	9,830.62	7,821.63
Deferred tax assets (net)	12	794.73	1,389.84
Income tax assets (net)	13	6,654.93	18,708.47
Other non-current assets	14	58.77	70.05
<b>Total non-current assets</b>		<b>55,579.81</b>	<b>72,092.44</b>
<b>Current assets</b>			
Financial assets			
Investments	8	6,011.73	-
Trade receivables	15	21,594.23	23,975.66
Cash and cash equivalents	16	23,896.47	6,036.91
Bank balances other than cash and cash equivalents	16	2,506.20	2,990.02
Loans	9	221.47	520.79
Unbilled Revenue	10	9,136.32	6,027.98
Other financial assets	11	5,094.04	5,022.55
Other current assets	17	1,458.17	1,393.88
Assets classified as held for sale	47	450.52	-
<b>Total current assets</b>		<b>70,369.15</b>	<b>45,967.79</b>
<b>Total assets</b>		<b>1,25,948.96</b>	<b>1,18,060.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	1,709.68	1,709.68
Other equity	19	63,728.97	55,169.95
<b>Total equity</b>		<b>65,438.65</b>	<b>56,879.63</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	23	1,399.06	3,002.00
Net employee defined benefit liabilities	20	8,592.21	7,059.69
Other non-current liabilities	21	421.90	421.90
<b>Total non-current liabilities</b>		<b>10,413.17</b>	<b>10,483.59</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	1.38	6,486.76
Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		101.41	169.91
Total outstanding dues other than micro enterprises and small enterprises		2,205.92	2,907.49
Lease liabilities	23	705.79	1,368.15
Other financial liabilities	25	21,266.24	16,146.74
Net employee defined benefit liabilities	20	5,019.80	4,775.89
Other current liabilities	26	20,791.63	18,842.07
Liabilities directly associated with the assets classified as held for sale	47	4.97	-
<b>Total current liabilities</b>		<b>50,097.14</b>	<b>50,697.01</b>
<b>Total liabilities</b>		<b>60,510.31</b>	<b>61,180.60</b>
<b>Total equity and liabilities</b>		<b>1,25,948.96</b>	<b>1,18,060.23</b>
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone 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 of  
TeamLease Services Limited

**Ashok Reddy**  
Managing Director  
DIN: 00151814  
**Ramani Dathi**  
Deputy Chief Financial Officer

**Latika Pradhan**  
Director  
DIN: 07118801  
**Alaka Chanda**  
Company Secretary  
F10911

Place: Bangalore  
Date: 9 June 2021

Place: Bangalore  
Date: 9 June 2021



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

₹ in lakhs

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>Income</b>			
Revenue from operations	27	4,46,593.69	4,78,337.68
Other income	28	4,819.43	4,365.17
<b>Total income</b>		<b>4,51,413.12</b>	<b>4,82,702.85</b>
<b>Expenses</b>			
Employee benefits expense	29	4,32,731.73	4,58,018.89
Finance costs	30	577.65	868.79
Depreciation and amortization expense	31	1,512.05	1,473.16
Other expenses	32	7,457.05	12,840.35
<b>Total expenses</b>		<b>4,42,278.48</b>	<b>4,73,201.19</b>
<b>Profit before tax</b>		<b>9,134.64</b>	<b>9,501.66</b>
<b>Tax expense:</b>			
Current tax	13	16.10	-
Tax provision for earlier years		135.00	64.56
<b>Deferred tax</b>			
Minimum Alternate Tax (MAT) written off		-	4,957.80
Deferred tax charge		576.52	321.10
<b>Income tax expense</b>		<b>727.62</b>	<b>5,343.46</b>
<b>Profit for the year</b>		<b>8,407.02</b>	<b>4,158.20</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains on defined benefit obligations	34	73.84	38.04
Income tax effect		(18.59)	(9.57)
<b>Other comprehensive income for the year, net of tax</b>		<b>55.25</b>	<b>28.47</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>8,462.27</b>	<b>4,186.67</b>
<b>Earnings per equity share:</b>			
Basic and diluted (amount in ₹)	33	49.17	24.32
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

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

For and on behalf of the Board of Directors of  
TeamLease Services Limited

**Per Navin Agrawal**  
Partner  
Membership Number: 056102

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Latika Pradhan**  
Director  
DIN: 07118801

**Ramani Dathi**  
Deputy Chief Financial Officer

**Alaka Chanda**  
Company Secretary  
F10911

Place: Bangalore  
Date: 9 June 2021

Place: Bangalore  
Date: 9 June 2021

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

₹ in lakhs

Notes	As at 31 March 2021	As at 31 March 2020
<b>Operating activities</b>		
<b>Profit before tax</b>	9,134.64	9,501.66
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	1,512.05	1,473.16
Finance costs	577.65	868.79
Interest income	(2,996.97)	(2,647.01)
(Profit)/loss on disposal of property, plant and equipment (net)	(5.12)	0.03
Liabilities/ provisions no longer required written back	(1,535.10)	(1,621.98)
GST and Service tax written off	-	604.21
Bad debts written off	813.34	940.77
Provision for expected credit loss	578.13	796.87
Provision for doubtful advances	69.09	24.55
Share-based payment expenses (net)	96.75	264.89
Net gain on sale of current investments	(63.67)	(70.82)
Net fair value gains on current investments	(11.73)	-
Net fair value gains on assets held for sale	(173.37)	-
<b>Working capital adjustments</b>		
(Increase)/decrease in trade receivables	989.96	(1,499.15)
(Increase)/decrease in loans	210.62	(189.25)
(Increase)/decrease in other assets	(82.67)	69.77
(Increase)/decrease in unbilled revenue and other financial assets	(5,199.43)	(2,210.29)
Increase/(decrease) in trade payables and other financial liabilities	5,337.75	(2,513.47)
Increase/(decrease) in other liabilities	3,051.79	1,209.57
Increase/(decrease) in net employee defined benefit liabilities	1,850.27	2,482.83
	<b>14,153.98</b>	<b>7,485.13</b>
Income tax refunds/(payments)	11,660.65	(6,611.56)
<b>Net cash flows from operating activities</b>	<b>25,814.63</b>	<b>873.57</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(187.02)	(615.63)
Purchase of intangible assets (including intangibles under development)	(547.50)	(734.87)
Proceeds from sale of property, plant and equipment	30.94	0.23
(Purchase)/sale of current investments	(5,936.33)	1,671.59
Debenture application money pending allotment	(1,460.00)	(1,292.00)
Loans and advances given to subsidiaries/Joint Venture	(5,536.11)	(10,907.00)
Loans and advances repaid by subsidiaries/Joint Venture	12,394.02	10,188.41
Investment in subsidiaries etc	(2,111.21)	(8,275.56)
Matured fixed deposits (net)	294.82	2,327.53
Interest received	3,344.58	2,358.61
<b>Net cash flows from / (used in) investing activities</b>	<b>286.19</b>	<b>(5,278.69)</b>
<b>Financing activities</b>		
Proceeds from issue on exercise of stock options	0.61	1.27
Proceeds from /(repayment of) borrowings (net)	(2,000.00)	2,000.00
Repayment of principal portion of lease liability	(1,212.49)	(1,133.99)
Finance costs (including on lease liability)	(544.00)	(821.89)
<b>Net cash flows from / (used in) financing activities</b>	<b>(3,755.88)</b>	<b>45.39</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>22,344.94</b>	<b>(4,359.73)</b>
Cash and cash equivalents at the beginning of the year	1,550.15	5,909.88
<b>Cash and cash equivalents at the end of the year</b>	<b>23,895.09</b>	<b>1,550.15</b>
Summary of significant accounting policies	16 3	

The accompanying notes are an integral part of the standalone 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 of  
TeamLease Services Limited

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Ramani Dathi**  
Deputy Chief Financial Officer

**Latika Pradhan**  
Director  
DIN: 07118801

**Alaka Chanda**  
Company Secretary  
F10911

Place: Bangalore  
Date: 9 June 2021

Place: Bangalore  
Date: 9 June 2021

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

## a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount (in ₹ Lakhs)
<b>Equity shares of ₹ 10 each:</b>		
<b>At 1 April 2019</b>	<b>1,70,96,769</b>	<b>1,709.68</b>
Additions during the year	-	-
<b>At 31 March 2020</b>	<b>1,70,96,769</b>	<b>1,709.68</b>
Additions during the year	-	-
<b>At 31 March 2021</b>	<b>1,70,96,769</b>	<b>1,709.68</b>

## b. Other equity

Particulars	Attributable to equity shareholders of the Company			₹ in lakhs
	Reserves and surplus			Total other equity
	Securities premium	Stock option outstanding reserve	Retained earnings	Total
<b>As at 1 April 2019</b>	<b>23,972.72</b>	<b>531.35</b>	<b>26,679.25</b>	<b>51,183.32</b>
Ind AS 116 transition adjustment	-	-	(464.93)	(464.93)
Profit for the year	-	-	4,158.20	4,158.20
Other comprehensive income	-	-	28.47	28.47
<b>Total comprehensive income</b>	<b>23,972.72</b>	<b>531.35</b>	<b>30,400.99</b>	<b>54,905.06</b>
Stock option compensation expense	-	264.89	-	264.89
<b>As at 31 March 2020</b>	<b>23,972.72</b>	<b>796.24</b>	<b>30,400.99</b>	<b>55,169.95</b>
<b>As at 1 April 2020</b>	<b>23,972.72</b>	<b>796.24</b>	<b>30,400.99</b>	<b>55,169.95</b>
Profit for the year	-	-	8,407.02	8,407.02
Other comprehensive income	-	-	55.25	55.25
<b>Total comprehensive income</b>	<b>23,972.72</b>	<b>796.24</b>	<b>38,863.26</b>	<b>63,632.22</b>
Stock option compensation expense	-	96.75	-	96.75
Exercise/ lapse of stock options	682.29	(714.15)	31.86	-
<b>At 31 March 2021</b>	<b>24,655.01</b>	<b>178.84</b>	<b>38,895.12</b>	<b>63,728.97</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

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

For and on behalf of the Board of Directors of  
TeamLease Services Limited

**Per Navin Agrawal**  
Partner  
Membership Number: 056102

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Latika Pradhan**  
Director  
DIN: 07118801

**Ramani Dathi**  
Deputy Chief Financial Officer

**Alaka Chanda**  
Company Secretary  
F10911

Place: Bangalore  
Date: 9 June 2021

Place: Bangalore  
Date: 9 June 2021

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## 1 Corporate information

TeamLease Services Limited (the "Company") is a HR Services Company incorporated on 2 February 2000 under the provisions of the Companies Act applicable in India having its registered office located at 6<sup>th</sup> Floor, BMTC Commercial Complex, 80 Feet Road, Koramangala, Bangalore - 560095. The Company provides to its clients a gamut of HR services that include Staffing Services, Temporary Recruitment, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments.

The Company was converted into a Public Limited company and obtained a fresh certificate of incorporation dated 15 May 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 12 February 2016.

The standalone financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 9 June 2021.

## 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).

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) 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.

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

## 3 Summary of significant accounting policies

### 3.1 Current versus non-current classification

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

An asset is treated as current when it is:

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

The Company classifies all other liabilities as non-current.

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

- 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.

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

Revenues in excess of invoicing are classified as Contract Assets (unbilled 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 in the contracts with customers.

#### Recruitment and other services

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services and payroll is recognized on accrual basis on performance of the services as agreed in the customer contracts.

#### 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 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;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, and interest in joint venture deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

available against which the temporary differences can be utilised.

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.

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 Assets held for sale

The Company classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

## 3.6 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 3.9 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.,

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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.

## 3.7 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.

### 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
Office equipment	5
Computers	3
Furniture and fixtures	5-10
Vehicles	6

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

## 3.8 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.

Gains or losses 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.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortization expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## 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
Softwares	3 years	Acquired/Internally generated

## 3.9 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.

## 3.10 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.

Investment in equity instruments issued by subsidiaries, associate and joint venture are measured at cost less impairment. Investment in preference shares/debentures of the subsidiaries, associate and joint venture are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

### 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## 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.

## 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. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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.

#### 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.

### 3.11 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.

### 3.12 Treasury shares

The Company has created an Employee Benefit Trust ('EBT') for providing share-based payment to its employees. The promoters/ directors of the Company, in prior years had contributed certain equity shares free of cost to EBT, which are issued to employees in accordance with the Company's Employee stock option plan.

The Company treats EBT as its extension and shares held by EBT are treated as treasury shares carried at nil value. Share options exercised during the reporting period are adjusted against treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve.

### 3.13 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.

### 3.14 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 :

- a) The date of the plan amendment or curtailment, and
- b) 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.

## Contribution to TeamLease Provident Fund

The Company has a defined benefit plan for post employment benefits in the form of provident fund. The Company makes contribution for provident fund to the trust set up by the Company and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Company. The Company's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise. Also refer Note 46.

## 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 employee option plan of the 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. 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.

## Compensated absences

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

## 3.15 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,

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 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.

## 3.16 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.

## 3.17 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.

## 3.18 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 Company and allocated resources based on the analysis of various performance indicators of

the Company. The operating segment comprises of the following:

- a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAP.
- b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.

## 3.19 Changes in accounting policies and disclosures

### Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the financial statements.

### Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no significant impact on the financial statements of the Group.

## 3.20 Significant accounting judgments, estimates and assumptions

The preparation of the Company's standalone 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 investments and loans are impaired requires an estimation of the value in use of the individual investments in subsidiaries, associate and joint venture 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 analyzing 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.

### Covid-19 pandemic related uncertainty

Refer Note 48 in respect of disclosure relating to likely impact of Covid-19 on the future cash flows and going concern assessments made by the management.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 4: Property, plant and equipment

	₹ in lakhs					
	Office equipment	Computers	Furniture & fixtures	Vehicles	Leasehold Improvements	Total
<b>Gross block</b>						
<b>As at 1 April 2019</b>	<b>321.15</b>	<b>196.46</b>	<b>73.25</b>	<b>26.40</b>	<b>295.18</b>	<b>912.44</b>
Additions	105.15	254.86	80.91	-	174.71	615.63
Disposals	(0.65)	-	-	-	-	(0.65)
<b>As at 31 March 2020</b>	<b>425.65</b>	<b>451.32</b>	<b>154.16</b>	<b>26.40</b>	<b>469.89</b>	<b>1,527.42</b>
Additions	30.71	92.58	0.92	15.35	47.46	187.02
Disposals	(23.02)	(8.47)	(13.63)	(10.54)	(18.74)	(74.40)
<b>As at 31 March 2021</b>	<b>433.34</b>	<b>535.43</b>	<b>141.45</b>	<b>31.21</b>	<b>498.61</b>	<b>1,640.04</b>
<b>Accumulated depreciation</b>						
<b>As at 1 April 2019</b>	<b>123.75</b>	<b>74.43</b>	<b>37.29</b>	<b>7.39</b>	<b>18.93</b>	<b>261.79</b>
Charge during the year	75.91	87.38	14.81	4.26	83.73	266.09
Disposals	(0.34)	-	-	-	-	(0.34)
<b>As at 31 March 2020</b>	<b>199.32</b>	<b>161.81</b>	<b>52.10</b>	<b>11.65</b>	<b>102.66</b>	<b>527.54</b>
Charge during the year	69.35	149.46	18.93	4.24	103.90	345.88
Disposals	(21.76)	(3.86)	(7.43)	(7.94)	(7.59)	(48.58)
<b>As at 31 March 2021</b>	<b>246.91</b>	<b>307.41</b>	<b>63.60</b>	<b>7.95</b>	<b>198.97</b>	<b>824.84</b>
<b>Net block</b>						
<b>As at 31 March 2020</b>	<b>226.33</b>	<b>289.51</b>	<b>102.06</b>	<b>14.75</b>	<b>367.23</b>	<b>999.88</b>
<b>As at 31 March 2021</b>	<b>186.43</b>	<b>228.02</b>	<b>77.85</b>	<b>23.26</b>	<b>299.64</b>	<b>815.20</b>

## Note 5: Right of Use Assets

	₹ in lakhs
	<b>Buildings</b>
<b>Gross block</b>	
<b>Initial recognition pursuant to adoption of Ind AS 116 as on 1 April 2019</b>	<b>5,817.02</b>
Additions	1,957.38
Disposals	(286.51)
<b>As at 31 March 2020</b>	<b>7,487.89</b>
Additions	264.89
Disposals	(2,360.06)
<b>As at 31 March 2021</b>	<b>5,392.72</b>
<b>Accumulated depreciation</b>	
<b>As at 1 April 2019</b>	<b>2,738.02</b>
Charge during the year	1,166.60
Disposals	(72.41)
<b>As at 31 March 2020</b>	<b>3,832.21</b>
Charge during the year	1,111.17
Disposals	(1,403.01)
<b>As at 31 March 2021</b>	<b>3,540.37</b>
<b>Net block</b>	
<b>As at 31 March 2020</b>	<b>3,655.68</b>
<b>As at 31 March 2021</b>	<b>1,852.35</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 6: Intangible assets

	₹ in lakhs
	<b>Softwares</b>
<b>Gross block</b>	
<b>As at 1 April 2019</b>	<b>862.22</b>
Additions	16.44
Disposals	-
<b>As at 31 March 2020</b>	<b>878.66</b>
Additions	146.65
Disposals	-
<b>As at 31 March 2021</b>	<b>1,025.31</b>
<b>Accumulated amortisation</b>	
<b>As at 1 April 2019</b>	<b>807.89</b>
Charge during the year	40.47
Disposals	-
<b>As at 31 March 2020</b>	<b>848.36</b>
Charge during the year	55.00
Disposals	-
<b>As at 31 March 2021</b>	<b>903.36</b>
<b>Net block</b>	
<b>As at 31 March 2020</b>	<b>30.30</b>
<b>As at 31 March 2021</b>	<b>121.95</b>

## Note 7: Investments

	₹ in lakhs	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Non current, Unquoted (at cost, less impairment)		
<b>(A) Investment in Equity Shares</b>		
<b>Subsidiaries</b>		
IIJT Education Private Limited (IIJT) 8,000,000 (31 March 2020: 8,000,000) equity shares of ₹10 each, fully paid (Refer note 1 below)	-	2,433.53
TeamLease Education Foundation (TLEF) 10,000 (31 March 2020: 10,000) equity shares of ₹ 10 each, fully paid	1.00	1.00
TeamLease Digital Private Limited (TDPL) 4,735,000 (31 March 2020: 4,735,000) equity shares of ₹ 50 each, fully paid	2,363.50	2,363.50
TeamLease E-Hire Private Limited (e-Hire) 11,111 (31 March 2020: 11,111) equity shares of ₹ 10 each, fully paid (Refer note 2 below)	1,934.65	1,934.65
I.M.S.I Staffing Private Limited (IMSI) 5,318,000 (31 March 2020: 5,318,000) equity shares of ₹ 10 each, fully paid (Refer note 5 below)	6,455.55	6,455.55
TeamLease Edtech Limited (TLEL) (Formerly known as School Guru Eduserve Private Limited) 861,984 (31 March 2020: Nil) equity shares of ₹10 each, fully paid (Refer note 6 below)	2,542.94	-
<b>Associate</b>		
TeamLease Edtech Limited (TLEL) Nil (31 March 2020: 184,068) equity shares of ₹10 each, fully paid	-	758.90

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 7: Investments (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Joint Venture</b>		
Avantis Regtech Private Limited		
27,773 equity shares (31 March 2020: 1) of ₹ 1 each (Refer note 4 below)	445.18	0.01
<b>(B) Investment in Preference Shares</b>		
<b>Associate</b>		
TeamLease Edtech Limited (TLEL)		
0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS)		
Nil (31 March 2020: 269,681) preference shares of ₹10 each (Refer note 6 below)	-	1,350.00
<b>Joint Venture</b>		
Avantis Regtech Private Limited		
0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS)		
307,018 (31 March 2020: 307,018) preference shares of ₹1 each (Refer note 4 below)	705.66	705.66
<b>(C) Investment in Debentures of Subsidiary</b>		
<b>TeamLease Digital Private Limited</b>		
9% Compulsorily Convertible Debentures (CCD's) of ₹ 10 lakhs each, fully paid (Refer note 3 below)		
Series A to Series I	14,890.00	14,890.00
1,489 (31 March 2020: 1,489)		
Series J to Series L	2,050.00	-
205 (31 March 2020: Nil)		
Less: Provision for diminution in the value of investments (Refer note 1 below)	-	(2,198.38)
	<b>31,388.48</b>	<b>28,694.42</b>
Aggregate value of unquoted investments	31,388.48	30,892.80
Aggregate amount of provision for impairment	-	(2,198.38)

### Notes:

- Subsequent to the year ended 31 March 2021, the Company has entered into a Memorandum of Understanding with a third party, for sale of 100% equity stake in one of its subsidiary company IIJT Education Private Limited (IIJT) at an agreed consideration of ₹ 470.00 lakhs as adjusted for value of net assets / liabilities taken over by the buyer. Accordingly, investment in IIJT has been remeasured at its fair value and disclosed as asset held for sale as at 31 March 2021 (also refer note 47).
- During the year ended 31 March 2021, the Company acquired additional balance equity stake of 24% in E-Hire at an agreed consideration of ₹ 572.00 lakhs. As a result of this E-Hire is now 100% subsidiary of TLSL. E-Hire is engaged in rendering end to end online services for software product engineering.
- The CCD's are convertible into equity shares on or before 10 years from the date of allotment, at the fair value as at the conversion date.
- During the year ended 31 March 2021, the Company participated in the rights issue and invested in 27,772 equity shares of ₹ 1 each at a premium of ₹ 1,602 per share for total consideration of ₹ 445.17 lakhs and acquired additional equity stake of 21.17% in ARPL. Subsequent to the year end, the Company has further invested in 27,999 equity shares of ₹ 1 each at a premium of ₹ 1,922.16 per share aggregating to ₹ 538.47 lakhs, thereby increasing the total stake to 58.43%. ARPL is engaged in rendering Software as a Service ("SAAS") based governance, risk and compliance automation.
- During the previous year ended 31 March 2020, the Company entered into share purchase agreement with IMSI and acquired 100% stake at an agreed consideration of ₹ 6,455.55 lakhs. IMSI is engaged in the business of providing staffing services to clients in Information Technology sector.
- During the year ended 31 March 2021, the Company entered into a definitive agreement and acquired additional equity stake of 37.14% in TeamLease Edtech Limited ('TLEL') at an agreed consideration of ₹ 434.04 lakhs, thereby increasing the total

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 7: Investments (Contd..)

stake to 78.43% in TLEL on fully diluted basis. Accordingly, TLEL has been accounted as a subsidiary with effect from 09 September 2020. Further, on 23 December 2020, 269,681 CCCPS of TLEL has been converted into equity shares of ₹ 10 each at a premium of ₹ 490.59 per share.

- 7) During the previous year ended 31 March 2020, the Company through its subsidiary TeamLease Digital Private Limited (TDPL) acquired the IT Staffing vertical of E Centric Solutions Private Limited ("eCentric"), a company incorporated under Companies Act, 1956 at an agreed consideration of ₹ 2,709.27 lakhs. eCentric is engaged in the business of providing staffing and recruitment services to clients in the Information Technology.

## Note 8: Current investments (at fair value through profit and loss)

₹ in lakhs

	31 March 2021	31 March 2020
<b>Investment in mutual funds</b>		
Nippon India Overnight Fund 1,819,748.539 Units of ₹ 110.23 each (31 March 2020: Nil)	2,005.89	-
ICICI Prudential Overnight Fund 1,358,149.170 Units of ₹ 110.72 each (31 March 2020: Nil)	1,503.72	-
DSP Liquid Fund 85,699.016 Units of ₹ 2,920.66 each (31 March 2020: Nil)	2,502.12	-
	<b>6,011.73</b>	<b>-</b>
Aggregate amount of quoted investment and market value thereof	6,011.73	-

## Note 9: Loans

### Non-current

₹ in lakhs

	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Loans to related parties (Refer note 40)	1,873.36	8,841.27
Security deposits	713.49	681.83
Other deposits	34.62	56.67
	<b>2,621.47</b>	<b>9,579.77</b>
(Credit impaired)		
Other deposits	136.45	107.03
Less: Provision	(136.45)	(107.03)
	<b>-</b>	<b>-</b>
	<b>2,621.47</b>	<b>9,579.77</b>

### Current

₹ in lakhs

	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Security deposits	211.59	510.91
Other deposits	9.88	9.88
	<b>221.47</b>	<b>520.79</b>
(Credit impaired)		
Security deposits	39.67	-
Less: Provision	(39.67)	-
	<b>-</b>	<b>-</b>
	<b>221.47</b>	<b>520.79</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 10: Unbilled reveune

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
(Unsecured, Considered good)		
Unbilled revenue *	9,136.32	6,027.98
	<b>9,136.32</b>	<b>6,027.98</b>

\* Includes ₹ 833.13 lakhs related to government projects for Skills and Development for which milestones have not been achieved due to COVID-19 outbreak, but State government authorities have extended the timelines.

## Note 11: Other financial assets

### Non-current

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Interest accrued on fixed deposits	6.63	2.42
Debenture application money (pending allotment)	1,460.00	1,292.00
Reimbursement right for gratuity	7,412.66	5,811.87
Reimbursement right for compensated absences	715.67	668.68
Fixed deposits with banks (maturity of more than 12 months) (Refer note 16)	235.66	46.66
	<b>9,830.62</b>	<b>7,821.63</b>

### Current

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Interest accrued on fixed deposits/ tax refunds/ CCDs	66.48	418.30
Advances to related parties (Refer note 40)	-	20.00
Reimbursement right for gratuity	3,503.74	3,269.42
Reimbursement right for compensated absences	1,273.73	1,246.38
Other assets	250.09	68.45
	<b>5,094.04</b>	<b>5,022.55</b>

## Note 12: Deferred tax assets (net)

	₹ in lakhs	
	31 March 2021	31 March 2020
Deferred tax assets/(liabilities)	794.73	1,389.84
	<b>794.73</b>	<b>1,389.84</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 12: Deferred tax assets (net) (Contd..)

₹ in lakhs

Particulars	Provision for expected credit loss	Depreciation on property, plant and equipment	Provision for leave and gratuity	Others	Total
<b>1 April 2019</b>	887.61	281.72	268.32	33.13	1,470.78
<b>Credit/ charge:</b>					
Ind AS 116 (transition adjustment)	-	-	-	249.73	249.73
Profit and loss	(104.13)	(93.36)	(47.52)	(76.09)	(321.10)
Other comprehensive income	-	-	(9.57)	-	(9.57)
<b>31 March 2020</b>	<b>783.48</b>	<b>188.36</b>	<b>211.23</b>	<b>206.77</b>	<b>1,389.84</b>
Profit and loss	(460.76)	(1.98)	(14.89)	(98.89)	(576.52)
Other comprehensive income	-	-	(18.59)	-	(18.59)
<b>31 March 2021</b>	<b>322.72</b>	<b>186.38</b>	<b>177.75</b>	<b>107.88</b>	<b>794.73</b>

## Note 13: Income tax assets (net)

₹ in lakhs

	31 March 2021	31 March 2020
Advance income tax (net of provision for taxation)	6,654.93	18,708.47
	<b>6,654.93</b>	<b>18,708.47</b>

### Income tax expense/ (credit) in the statement of profit and loss consists of:

₹ in lakhs

	31 March 2021	31 March 2020
Current income tax charge	16.10	-
Tax provision for earlier years	135.00	64.56
MAT write off / credit entitlement (Refer note 1 below)	-	4,957.80
Deferred tax charge/ credit (net)	576.52	321.10
<b>Income tax reported in the statement of profit or loss</b>	<b>727.62</b>	<b>5,343.46</b>

### Income tax recognised in other comprehensive income

₹ in lakhs

	31 March 2021	31 March 2020
Deferred tax charge	18.59	9.57
<b>Income tax expense charged to OCI</b>	<b>18.59</b>	<b>9.57</b>

### Reconciliation of effective tax rate:

₹ in lakhs

	31 March 2021	31 March 2020
Profit before tax	9,134.64	9,501.66
Tax using the Company's domestic tax rate @ 25.168% (31 March 2020: 25.168%)	2,299.01	2,391.57
<b>Tax effect of:</b>		
Non-deductible tax expense	491.02	143.76
Provisions related to prior years	135.00	64.56
MAT credit written off	-	4,957.80
Impact of change in tax laws/ tax rates	-	493.12
80JJAA deduction	(2,151.13)	(2,732.68)
Others	(46.28)	25.33
<b>Income tax expense</b>	<b>727.62</b>	<b>5,343.46</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 13: Income tax assets (net) (Contd..)

### Note 1

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from FY 2019-20. Accordingly, the Company had written off accumulated MAT credit of ₹ 4,957.80 lakhs in FY 2019-20 and re-measured opening net deferred tax assets.

### Note 2

As per the amendment in the Finance Act, 2016, deduction under Section 80JJAA of the Income tax Act, 1961, was extended across to all the sectors. As per the provisions of Section 80JJAA, an assessee will be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to fulfilment of the other conditions mentioned in the Section 80JJAA. The Company has started availing such deduction from financial year 2016-17 onwards.

## Note 14: Other non-current assets

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Prepaid expenses	13.41	40.39
Advances, other than capital advances	45.36	-
Balances with statutory/ government authorities	-	29.66
	<b>58.77</b>	<b>70.05</b>
Credit impaired		
Balances with statutory/ government authorities	29.66	-
Less: Provision	(29.66)	-
	-	-
	<b>58.77</b>	<b>70.05</b>

## Note 15: Trade receivables

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, considered good)		
Trade receivables from related parties (Refer note 40)	2,699.47	3,627.63
Trade receivables - others	18,894.76	20,348.03
	<b>21,594.23</b>	<b>23,975.66</b>
<b>Significant increase in credit risk / credit impaired</b>		
Trade receivables - others	1,282.16	3,112.75
Less: Allowance for doubtful debts	(1,282.16)	(3,112.75)
	-	-
	<b>21,594.23</b>	<b>23,975.66</b>

- 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 40.
- b) Trade receivables are non-interest bearing and with credit period upto 60 days.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 16: Cash and cash equivalents and bank balances

	₹ in lakhs	
	31 March 2021	31 March 2020
Balances with banks:		
- On current accounts	16,864.45	6,006.12
- Deposits with original maturity of less than 3 months	7,032.02	30.79
	<b>23,896.47</b>	<b>6,036.91</b>
<b>Other bank balances</b>		
Deposits with remaining maturity of less than 12 months	2,506.20	2,990.02
Deposits with remaining maturity of more than 12 months	235.66	46.66
	<b>2,741.86</b>	<b>3,036.68</b>
Less: Amounts disclosed under other financial assets (Refer note 11)	(235.66)	(46.66)
	<b>2,506.20</b>	<b>2,990.02</b>
	<b>26,402.67</b>	<b>9,026.93</b>

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Balances with banks:		
- On current accounts	16,864.45	6,006.12
- Deposits with original maturity of less than 3 months	7,032.02	30.79
	<b>23,896.47</b>	<b>6,036.91</b>
Less: Bank overdraft (Refer note 22)	1.38	4,486.76
	<b>23,895.09</b>	<b>1,550.15</b>

Fixed deposits of ₹ 2,773.88 lakhs as at 31 March 2021 (31 March 2020: ₹ 2,667.82 lakhs) is under lien with various banks for loans taken/ guarantees issued to third parties.

## Note 17: Other current assets

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Prepaid expenses	687.90	773.30
Advances to suppliers/ others	753.30	573.63
Loans and advances to employees	16.97	46.95
	<b>1,458.17</b>	<b>1,393.88</b>

## Note 18: Equity share capital

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Equity share capital</b>		
<b>(i) Authorised equity share capital</b>		
23,300,000 (31 March 2020: 23,300,000) equity shares of ₹ 10 each.	2,330.00	2,330.00
<b>(ii) Authorised 12% Cumulative Convertible Redeemable Preference Shares (CCPS)</b>		
170,000 (31 March 2020: 170,000) CCPS of ₹ 100 each	170.00	170.00
<b>(iii) Issued, subscribed and fully paid-up shares</b>		
17,096,769 (31 March 2020: 17,096,769) equity shares of ₹ 10 each.	1,709.68	1,709.68
<b>Total issued, subscribed and fully paid-up shares</b>	<b>1,709.68</b>	<b>1,709.68</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 18: Equity share capital (Contd..)

### (iv) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 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	₹ in lakhs			
	31 March 2021		31 March 2020	
	Numbers	% holding	Numbers	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
HR Offshoring Ventures Pte Limited	43,15,328	25.24	44,00,812	25.74
NED Consultants LLP	13,67,965	8.00	14,53,449	8.50

(vi) There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust. Also refer note 35.

## Note 19: Other equity

	₹ in lakhs	
	31 March 2021	31 March 2020
Securities premium	24,655.01	23,972.72
Retained earnings	38,895.12	30,400.99
Stock option outstanding reserve	178.84	796.24
	<b>63,728.97</b>	<b>55,169.95</b>

### 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) Stock option outstanding reserve

This reserve relates to stock options granted by the Company to employees under TeamLease Employee Stock Option Plan.

## Note 20: Net employee defined benefit liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Non-current</b>		
Employee benefits - Gratuity (Refer note 34)	7,668.37	6,130.60
Employee benefits - Compensated absences	923.84	929.09
	<b>8,592.21</b>	<b>7,059.69</b>
<b>Current</b>		
Employee benefits - Gratuity (Refer note 34)	3,622.95	3,399.18
Employee benefits - Compensated absences	1,396.85	1,376.71
	<b>5,019.80</b>	<b>4,775.89</b>

## Note 21: Other non-current liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
Disputed tax liabilities (Refer note 43)	421.90	421.90
	<b>421.90</b>	<b>421.90</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 22: Borrowings

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
Secured		
Bank overdraft*	1.38	4,486.76
Term loan**	-	2,000.00
	<b>1.38</b>	<b>6,486.76</b>

\*The overdraft facilities from bank are secured by lien on fixed deposits and carries interest ranging between 6.70% to 8.48% (31 March 2020: 7.01% to 9.50%) per annum.

\*\*The term loan from a bank is repaid in full in the current year. The loan was secured by lien on trade receivables and carried interest @ 8.55% per annum.

## Note 23: Lease Liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Lease liabilities	1,399.06	3,002.00
	<b>1,399.06</b>	<b>3,002.00</b>
<b>Current</b>		
Lease liabilities	705.79	1,368.15
	<b>705.79</b>	<b>1,368.15</b>

The following is the movement in lease liabilities

	₹ in lakhs	
Particulars	31 March 2021	31 March 2020
Balances as at beginning of the year	4,370.15	-
Additions on account of adoption of Ind AS 116	-	3,793.66
Add: Additions during the year	264.89	1,957.38
Less: Deletions during the year	(1,317.70)	(246.90)
Add: Finance cost incurred during the year	289.59	424.50
Less: Payments of lease liabilities (including interest)	(1,502.08)	(1,558.49)
<b>Balance as at year end</b>	<b>2,104.85</b>	<b>4,370.15</b>

The weighted average discount rate used for recognition of lease liabilities is 9% p.a. (31 March 2020: 9% p.a.)

## Note 24: Trade payables

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 42)	101.41	169.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,205.92	2,907.49
	<b>2,307.33</b>	<b>3,077.40</b>

Refer note 40 for details of trade payables to related parties.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 25: Other financial liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
Employees benefits payable	20,848.93	14,741.28
Other liabilities (for E-Hire and IMSI)	400.00	968.01
Creditors for capital goods	17.31	119.24
Book overdraft	-	318.21
	<b>21,266.24</b>	<b>16,146.74</b>

## Note 26: Other current liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
Statutory dues payable	13,096.01	12,685.29
Advance from customers	3,788.38	2,382.29
Unearned revenue	42.68	229.19
Other liabilities	3,864.56	3,545.30
	<b>20,791.63</b>	<b>18,842.07</b>

## Note 27: Revenue from operations

	₹ in lakhs	
	31 March 2021	31 March 2020
Sale of services	4,40,984.40	4,65,153.32
Recruitment services		
- Permanent recruitment	353.49	2,894.41
- Temporary recruitment	102.75	272.94
Skills and development etc.	1,456.56	5,513.73
Income from regulatory services	2,017.19	1,800.83
Payroll income	1,679.30	2,702.45
	<b>4,46,593.69</b>	<b>4,78,337.68</b>

### 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 39.

	₹ in lakhs	
<b>Contract balances</b>	31 March 2021	31 March 2020
Contract assets - Trade receivables	21,594.23	23,975.66
Contract assets - Unbilled revenue	9,136.32	6,027.98
Contract liabilities - Advance from customers	3,788.38	2,382.29
Contract liabilities - Unearned revenue	42.68	229.19

Trade receivables are non-interest bearing and are generally on credit terms of upto 60 days.

Set out below is the amount of revenue recognised from:

	₹ in lakhs	
	31 March 2021	31 March 2020
Amounts included in contract liabilities at the beginning of the year	2,080.82	2,524.68

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 28: Other income

	₹ in lakhs	
	31 March 2021	31 March 2020
Interest income on:		
Loans to related parties/ Investment in CCD's (Refer note 40)	2,054.17	2,108.67
Deposits with banks	199.17	287.58
Income tax refunds	743.63	250.76
Others	24.88	25.02
Liabilities/ provisions no longer required written back	1,535.10	1,621.98
Net gain on sale of current investments	63.67	70.82
Net fair value gains on current investments	11.73	-
Profit on disposal of property, plant and equipment (net)	5.12	-
Net fair value gains on assets held for sale	173.37	-
Miscellaneous income	8.59	0.34
	<b>4,819.43</b>	<b>4,365.17</b>

## Note 29: Employee benefits expense

	₹ in lakhs	
	31 March 2021	31 March 2020
Salaries, wages and bonus	3,97,823.93	4,20,131.93
Stock option compensation expense (net)	96.75	264.89
Gratuity expense	123.65	147.31
Compensated absences	116.51	142.35
Contribution to provident fund and other funds	31,225.68	34,250.15
Staff welfare expenses	3,345.21	3,082.26
	<b>4,32,731.73</b>	<b>4,58,018.89</b>

## Note 30: Finance costs

	₹ in lakhs	
	31 March 2021	31 March 2020
Interest on bank overdraft	147.66	254.43
Interest on short term borrowings	67.92	122.27
Interest on lease liabilities	289.59	424.50
Interest on financial liability/ others	72.48	67.59
	<b>577.65</b>	<b>868.79</b>

## Note 31: Depreciation and amortisation

	₹ in lakhs	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	345.88	266.09
Amortization of other intangible assets	55.00	40.47
Depreciation of right-of-use assets	1,111.17	1,166.60
	<b>1,512.05</b>	<b>1,473.16</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 32: Other expenses

	₹ in lakhs	
	31 March 2021	31 March 2020
Training expenses (skill development etc.)	868.21	3,916.96
Rent	913.21	1,178.84
Rates and taxes	91.40	114.61
Electricity	234.53	329.69
Traveling and conveyance	127.45	672.56
Repairs and maintenance		
- Leasehold premises	107.31	12.25
- Others	1,017.09	1,209.79
Printing and stationery	361.97	462.09
Legal and professional charges	1,184.98	1,237.99
Auditors' remuneration (Refer note below)	84.70	72.61
Insurance	42.33	38.08
Sundry balances written off	0.69	27.85
Bad debts written off	3,221.37	1,137.12
Less: Provision for expected credit loss utilised	(2,408.72)	(224.20)
Provision for expected credit loss	578.13	796.87
GST and service tax written off	-	604.21
Loss on disposal of property, plant and equipment (net)	-	0.03
Provision for doubtful advances	69.09	24.55
Corporate Social Responsibility expenditure (Refer note 45)	175.32	144.61
Foreign exchange loss (net)	26.06	7.79
Miscellaneous expenses	761.93	1,076.05
	<b>7,457.05</b>	<b>12,840.35</b>

### Note: Payment to auditors

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>As auditor</b>		
Statutory audit fee	42.00	35.00
Tax audit / other services	11.00	5.00
Limited review	30.00	30.00
Reimbursement of expenses	1.70	2.61
	<b>84.70</b>	<b>72.61</b>

## Note 33: Earnings per share

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

	31 March 2021	31 March 2020
Profit attributable to equity shareholders (₹ in lakhs)	8,407.02	4,158.20
Nominal value of each equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	1,70,96,769	1,70,96,769
EPS - basic and diluted (₹)	49.17	24.32

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation

### Provident fund

Provident Fund for eligible employees is managed by the Company through "TeamLease Employees Provident Fund Trust" ("Trust"), in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
Accumulated surplus as per Employees Provident Fund Trust	2,543.67	3,824.33
Provident fund obligations	(1,515.42)	(1,389.41)
<b>Principal assumptions are as follows:</b>		
Discount rate (per annum)	5.58%	6.32%
Average historic yield on the investment portfolio	8.37%	6.33%
Appropriate term (in years)	4	4
Remaining term to maturity of provident fund portfolio (in years)	5.71	6.32
Mortality	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

The Trust has made investments of ₹ 17,373.78 lakhs (31 March 2020: ₹ 17,373.78 lakhs) in certain NBFC companies which have defaulted in interest / debt repayments and full value of such investments may not be eventually realised in future years. The impact of any possible shortfall on account of this is presently not ascertainable and not provided for. Also refer Note 46.

Disclosures included are limited to the extent of disclosures provided by the actuary.

The expense recognised during the year towards provident fund is ₹ 24,761.17 lakhs (31 March 2020: ₹ 26,203.10 lakhs), including for employees covered under defined contribution plan.

### Gratuity (Associate)

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)

	₹ in lakhs	
	31 March 2021	31 March 2020
Present value of unfunded obligation	10,916.40	9,081.30
Fair value of plan assets	-	-
<b>Net liability</b>	<b>10,916.40</b>	<b>9,081.30</b>
Current	3,503.74	3,269.42
Non-current	7,412.66	5,811.88

### Net benefit cost (Refer note below)

	₹ in lakhs	
	31 March 2021	31 March 2020
Current service cost	6,053.78	4,950.83
Net actuarial (gain)/ loss recognised in the year	(2,595.40)	(1,352.78)
Interest cost on defined benefit obligation	419.91	394.50
<b>Net benefit expense</b>	<b>3,878.29</b>	<b>3,992.55</b>

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Defined benefit obligation at beginning of the year	9,081.30	6,758.22
Current service cost	6,053.78	4,950.83
Interest cost on defined benefit obligation	419.91	394.50
Benefits paid	(2,043.19)	(1,669.47)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	96.92	(45.09)
Actuarial (gain) / loss arising from changes in financial assumptions	96.04	245.78
Actuarial (gain) / loss arising from changes in experience adjustments	(2,788.36)	(1,553.47)
<b>Defined benefit obligation at end of the year</b>	<b>10,916.40</b>	<b>9,081.30</b>

The principal assumptions used in determining gratuity obligations are shown below:

	31 March 2021	31 March 2020
Discount rate	4.25%	5.21%
Salary escalation rate	6.50%	6.50%
Attrition rate	45.00%	47.00%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

Note: The estimates of future salary increases, 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 are as shown below:

Particulars	₹ in lakhs			
	31 March 2021		31 March 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	10,695.70	11,147.40	8,901.10	9,269.85
Salary escalation rate	11,088.30	10,748.85	9,222.54	8,943.68
Attrition rate	10,803.84	11,032.21	8,990.65	9,174.81

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Year 1	2,629.62	2,136.96
Year 2	1,877.71	1,572.94
Year 3	1,341.52	1,128.88
Year 4	851.81	775.79
Year 5	477.46	435.12
Next 5 years	573.24	522.63

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2020: 2 years)



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

### 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 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

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)

	₹ in lakhs	
	31 March 2021	31 March 2020
Present value of funded obligation	374.92	448.48
Fair value of plan assets	-	-
<b>Net liability</b>	<b>374.92</b>	<b>448.48</b>
Current	119.21	129.76
Non-current	255.71	318.72

### Net benefit cost recognised in statement of profit and loss

	₹ in lakhs	
	31 March 2021	31 March 2020
Current service cost	101.37	121.91
Interest cost on defined benefit obligation	22.28	25.40
<b>Net benefit expense</b>	<b>123.65</b>	<b>147.31</b>

### Remeasurement (gains)/loss in other comprehensive income

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
Due to change in demographic assumptions	(8.18)	1.12
Due to change in financial assumptions	6.08	(10.15)
Due to change in experience adjustments	(71.74)	(29.01)
<b>Actuarial loss recognised in OCI</b>	<b>(73.84)</b>	<b>(38.04)</b>

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

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
Defined benefit obligation at beginning of the year	448.48	390.77
Current service cost	101.37	121.91
Interest cost on defined benefit obligation	22.28	25.40
Benefits paid	(123.37)	(51.56)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(8.18)	1.12
Actuarial (gain) / loss arising from changes in financial assumptions	6.08	(10.15)
Actuarial (gain) / loss arising from changes in experience adjustments	(71.74)	(29.01)
<b>Defined benefit obligation at end of the year</b>	<b>374.92</b>	<b>448.48</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

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

	31 March 2021	31 March 2020
Discount rate	5.18%	5.76%
Salary escalation rate	7.0%	7.0%
Attrition rate	38%	34.0%
Retirement age	60	60
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.

### Sensitivity analysis

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

Particulars	₹ in lakhs			
	31 March 2021		31 March 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	366.47	383.82	437.16	460.46
Salary escalation rate	381.19	368.83	457.23	439.99
Attrition rate	372.99	376.89	446.17	450.85

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Year 1	88.16	98.55
Year 2	65.64	76.58
Year 3	48.76	58.44
Year 4	32.18	45.41
Year 5	21.05	30.89
Next 5 years	34.33	57.95

The weighted average duration of defined benefit obligation at the end of the reporting period is 3 years (31 March 2020: 4 years).

## Note 35: Share based payments

### Employee Share Option Scheme (ESOP)

TeamLease Services Limited has granted stock options to employees of the Company. The purpose of the 'TeamLease Services Limited ESOP Plan' 2015 is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and to promote the success of the business. The options issued under the plan has a term of 3-4 years as provided in the stock grant agreement and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share. The exercise price of option is ₹ 10. The stock options are restricted for sale, pledge or transfer.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 35: Share based payments (Contd..)

### A. Details of TeamLease Employee Stock Option Plan issued by the Trust

Name of the Scheme - TeamLease Employee Stock Option Plan - 2015	Tranche - I	Tranche - II*	Tranche - III**
Date of grant	1 October 2015	1 October 2016	1 July 2019
Number Granted	97,170 (post issue of bonus shares)	29,470	18,155
Exercise price (₹)	₹ 10	₹ 10	₹ 10
Vesting period	4 years	2-4 years	1-3 years
Vesting conditions	25% on expiry of 12 months from grant date 25% on expiry of 24 months from grant date 25% on expiry of 36 months from grant date 25% on expiry of 48 months from grant date	44% on expiry of 12 months from grant date 48% on expiry of 24 months from grant date 5% on expiry of 36 months from grant date 3% on expiry of 48 months from grant date	34% on expiry of 12 months from grant date 33% on expiry of 21 months from grant date 33% on expiry of 33 months from grant date

\* During the financial year ended 31 March 2017, Tranche II scheme was approved by Board of Directors and Nomination and Remuneration Committee and approved by the shareholders in the Annual General Meeting held on 7 July 2017.

\*\* During the financial year ended 31 March 2020, Tranche III scheme was approved by Board of Directors and Nomination and Remuneration Committee.

### B. Movement in the options granted to employees

Particulars	Number of Options		Weighted average Exercise price (₹)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Outstanding at beginning of the year	18,155	12,724	10.00	10.00
Granted	-	18,155	10.00	10.00
Forfeited	4,832	-	10.00	10.00
Expired	-	-	10.00	10.00
Exercised	6,055	12,724	10.00	10.00
Outstanding at end of the year	7,268	18,155	10.00	10.00
Exercisable at end of the year	3,634	-	10.00	10.00

#### Fair value of options granted

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

Variables	31 March 2021	31 March 2020
Grant date share option price (₹)	No Options have been granted during the year	3,016.20
Exercise price (₹)		10.00
Expected life of the option (gross)		1-3 years
Risk free interest rates		6.19% - 6.57%
Expected volatility		29.45% - 58.21%
Expected dividend yield (%)		-

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 1 year (31 March 2020: 1.08 years).

The weighted average exercise price of the outstanding option is ₹ 10 (31 March 2020: ₹ 10).

Stock Option Compensation expense is ₹ 96.75 lakhs (31 March 2020: ₹ 264.89 lakhs) for the year.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 36: Fair value measurements

### Financial assets measured at fair value through profit/ loss:

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Financial Assets</b>		
Investment in mutual funds (Quoted price in active markets Level 1)	6,011.73	-

There are no transfers between levels during the year.

Management has assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, investments, 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 37: 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 audit committee 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 audit committee 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 Audit Committee.

### (a) Market risk

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

Financial instruments affected by market risks include trade receivable, trade payable and borrowings.

#### (i) Foreign Currency Risk

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 37: Financial risk management objectives and policies (Contd..)

### (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	₹ in lakhs	
	31 March 2021	31 March 2020
Opening balance	3,112.75	2,540.08
Amount provided during the year	578.13	796.87
Amount adjusted for bad debts	(2,408.72)	(224.20)
Closing provision	1,282.16	3,112.75

#### Financial instruments

Credit risk from balances with the banks and financial institutions and current investments are managed by the Company's treasury team based on the Company's policy. Investment of surplus fund is made only with approved counterparties. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### (c) Liquidity risk

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

		₹ in lakhs	
		31 March 2021	31 March 2020
<b>Maturity period</b>			
<b>Financial liabilities - Current</b>			
Borrowings	Within 1 year	1.38	6,486.76
Trade payables	Within 1 year	2,307.33	3,077.40
Lease liabilities	Within 1 year	705.79	1,368.15
Other financial liabilities	Within 1 year	21,266.24	16,146.74
		<b>24,280.74</b>	<b>27,079.05</b>
<b>Financial liabilities - Non current</b>			
Lease liabilities	1 - 5 years	1,362.76	2,878.89
Lease liabilities	Above 5 years	36.30	123.11
		<b>1,399.06</b>	<b>3,002.00</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 38: 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 equity financed. To maintain and adjust capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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

## Note 39: Segment information

### Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segment. The CODM evaluates the Company's performance and allocate resources based on analysis of various performance indicators of the Company. Accordingly, segment information has been presented for the nature of services rendered by the Company.

### Segment Policies:

- The reportable business segments are in line with the segment wise information which is being presented to the CODM and for which discrete financial information is available.
- The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably and accordingly such items are separately disclosed as 'unallocated'.

### (i) Reportable segments:

Reportable operating segments of the Company are as follows:

- General Staffing and Allied Services** - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAPP.
- Other HR Services** - Comprises of Permanent Recruitment, Regulatory Compliance and Training Operations.

### (ii) Segment results:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the CODM.

Particulars	₹ in lakhs							
	General staffing and allied services		Other HR services		Unallocated		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Revenue:</b>								
External revenue	4,42,766.45	4,68,128.71	3,827.24	10,208.97	-	-	4,46,593.69	4,78,337.68
<b>Total segment revenue</b>	<b>4,42,766.45</b>	<b>4,68,128.71</b>	<b>3,827.24</b>	<b>10,208.97</b>	<b>-</b>	<b>-</b>	<b>4,46,593.69</b>	<b>4,78,337.68</b>
<b>Segment results</b>								
Finance cost	8,367.89	8,779.03	(1,155.14)	(350.17)	2,499.54	1,941.59	9,712.29	10,370.45
	-	-	-	-	(577.65)	(868.79)	(577.65)	(868.79)
<b>Profit before tax</b>	<b>8,367.89</b>	<b>8,779.03</b>	<b>(1,155.14)</b>	<b>(350.17)</b>	<b>1,921.89</b>	<b>1,072.80</b>	<b>9,134.64</b>	<b>9,501.66</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 39: Segment information (Contd..)

₹ in lakhs

Particulars	General staffing and allied services		Other HR services		Unallocated		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Tax expense / (credit)	-	-	-	-	727.62	5,343.46	727.62
<b>Profit after tax</b>	<b>8,367.89</b>	<b>8,779.03</b>	<b>(1,155.14)</b>	<b>(350.17)</b>	<b>1,194.27</b>	<b>(4,270.66)</b>	<b>8,407.02</b>	<b>4,158.20</b>
<b>Other information</b>								
Capital expenditure	-	-	-	-	734.52	1,350.50	734.52	1,350.50
Depreciation and amortization	333.33	260.20	42.75	46.35	1,135.97	1,166.61	1,512.05	1,473.16
Non cash expenditure other than depreciation	-	-	-	-	1,557.31	2,631.29	1,557.31	2,631.29

### Other Information

₹ in lakhs

Particulars	31 March 2021		31 March 2020	
	Assets	Liabilities	Assets	Liabilities
	General staffing and allied services	60,597.67	47,503.15	45,858.72
Other HR services	5,891.19	4,269.21	8,055.06	3,796.99
Unallocated	59,460.10	8,737.95	64,146.45	15,531.94
<b>Total</b>	<b>1,25,948.96</b>	<b>60,510.31</b>	<b>1,18,060.23</b>	<b>61,180.60</b>

### Reconciliation to amounts reflected in the financial statements

#### Reconciliation of assets

₹ in lakhs

Particulars	31 March 2021	31 March 2020
<b>Segment assets</b>	66,488.86	53,913.78
Investments	37,400.20	28,694.42
Loans	2,304.49	9,523.51
Deferred tax assets (net)	794.73	1,389.84
Income tax assets (net)	6,654.93	18,708.47
Cash and cash equivalents	7,263.02	133.23
Bank balances other than cash and cash equivalents	2,506.20	2,990.02
Others	2,086.01	2,706.96
Assets classified as held for sale	450.52	-
<b>Total assets</b>	<b>1,25,948.96</b>	<b>1,18,060.23</b>

#### Reconciliation of liabilities

₹ in lakhs

Particulars	31 March 2021	31 March 2020
<b>Segment liabilities</b>	51,772.36	45,648.66
Net employee defined benefit liabilities	119.27	130.79
Borrowings	1.38	6,486.76
Trade payables	427.77	526.43
Other financial liabilities	524.42	1,176.46
Other current liabilities	7,660.14	7,211.50
Liabilities directly associated with the assets classified as held for sale	4.97	-
<b>Total liabilities</b>	<b>60,510.31</b>	<b>61,180.60</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 39: Segment information (Contd..)

### Revenue from external customers

Geographical Segment	₹ in lakhs	
	31 March 2021	31 March 2020
India	4,44,865.78	4,77,465.58
Outside India	1,727.91	872.10
<b>Total</b>	<b>4,46,593.69</b>	<b>4,78,337.68</b>

The revenue information above is based on the locations of the customers.

### Non-current assets:

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
India	10,944.51	24,606.78
Outside India	-	-
<b>Total</b>	<b>10,944.51</b>	<b>24,606.78</b>

Non-current assets excludes financial instruments and deferred tax assets.

## Note 40: Related party disclosures

### (i) List of related parties and relationships:

Description of relationship	Names of the related parties
<b>a) Subsidiary companies</b>	IIJT Education Private Limited ('IIJT') TeamLease Education Foundation ('TLEF') TeamLease Digital Private Limited ('TDPL') Keystone Business Solutions Private Limited ('KBSPL') Evolve Technologies and Services Private Limited ('ETSPL') TeamLease E-Hire Private Limited ('E-Hire') I.M.S.I Staffing Private Limited ('IMSI') (w.e.f. 12 November 2019) TeamLease Edtech Limited ('TLEL') (Formerly known as School Guru Eduserve Private Limited) (w.e.f. 9 September 2020)
<b>b) Associate</b>	TeamLease Edtech Limited ('TLEL') (till 8 September 2020)
<b>c) Jointly Controlled</b>	Avantis Regtech Private Limited ('ARPL')
<b>d) Key management personnel and their relatives</b>	Mr. Manish Mahendra Sabharwal - Executive chairman Mr. Ashok Reddy - Managing Director and Chief Executive officer Mr. Ravi Vishwanath - Chief Financial Officer (resigned w.e.f. 23 March 2021) Ms. Ramani Dathi - Deputy Chief Financial Officer (appointed w.e.f. 24 March 2021) Ms. Alaka Chanda - Company Secretary Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath (till 23 March 2021) Mrs. Latika Pradhan - Independent Director Mr. Narayan Ramachandran - Independent Director Dr. V. Raghunathan - Independent Director Mr. Zarir Batliwala - Independent Director Mr. Mekin Maheshwari - Independent Director (Additional) (appointed w.e.f. 9 June 2021)
<b>e) Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)</b>	TeamLease Skills University ('TLSU')

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

### (ii) Transactions with related parties

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Interest income from</b>		
Subsidiary companies		
TLEF	431.11	517.23
TDPL - on loan and CCD's	1,566.79	1,566.24
IMSI	-	1.43
E-Hire	56.16	16.88
IIJT	0.06	-
Joint venture		
ARPL	0.05	6.89
<b>Revenue from operations</b>		
Subsidiary companies		
TLEF	362.18	885.86
TDPL	6.40	3.66
KBSPL	0.21	0.36
ETSPL	2.97	-
TLEL	5.88	-
Enterprises under significant influence		
TLSU	1,758.73	2,780.52
Joint Venture		
ARPL	-	9.59
Associate		
TLEL	3.14	-
<b>Profit on disposal of property, plant and equipment</b>		
Subsidiary company		
IMSI	0.04	-
<b>Consultancy/services charges paid</b>		
Subsidiary companies		
TDPL	638.86	468.26
E-Hire	107.38	56.59
ETSPL	221.12	172.51
IMSI	6.00	0.41
IIJT	6.00	-
TLEL	1.03	-
Associate		
TLEL	0.06	0.42
Joint Venture		
ARPL	134.45	116.37
Enterprises under significant influence		
TLSU	171.51	283.73
Key managerial personnel and their relatives		
Asha Vishwanath	6.00	6.00
<b>Intangible assets under development</b>		
Subsidiary companies		
TDPL	67.00	-
Joint Venture		
ARPL	10.00	-
<b>Interest expense - others</b>		
TDPL	-	6.28

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Expenses incurred by the Company on behalf of others - Cross charged</b>		
Subsidiary companies		
TDPL	109.72	110.93
KBSPL	0.17	0.17
ETSPL	100.21	23.05
E-Hire	154.85	97.24
TLEL	0.50	-
IMSI	7.57	-
Enterprises under significant influence		
TLSU	14.86	3.10
Joint Venture		
ARPL	45.48	37.69
Associate		
TLEL	0.71	1.18
<b>Bad debts written off</b>		
Enterprises under significant influence		
TLSU	27.05	-
<b>Loans and advances given to</b>		
Subsidiary companies		
TLEF	597.50	4,400.00
IMSI	-	300.00
IIJT	12.00	-
E-Hire	505.50	667.00
TDPL	4,420.00	5,240.00
Joint venture		
ARPL	1.11	300.00
<b>Loans and advances repaid by</b>		
Subsidiary companies		
IIJT	-	34.00
IMSI	-	300.00
TLEF	5,768.42	4,680.00
TDPL	6,570.60	4,820.15
E-Hire	55.00	142.00
Joint venture		
ARPL	-	1.11
<b>Advances given converted into Loan</b>		
Subsidiary companies		
TDPL	2.00	-
<b>Loan converted into investments</b>		
Subsidiary companies		
TDPL	-	11.15
Convertible debentures		
Joint Venture	-	-
ARPL	-	-
Equity shares	100.00	-
Compulsorily Convertible Cumulative Preference Shares (CCCPS)	-	200.00

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>CCCPS converted into equity shares</b>		
Subsidiary		
TLEL	1,350.00	-
<b>Investments in equity shares</b>		
Subsidiary		
TLEL	434.04	-
Joint Venture		
ARPL	345.19	-
<b>Deposit Paid</b>		
IIJT	10.00	-
<b>Debenture application money pending allotment</b>		
Subsidiary companies		
TDPL	1,460.00	1,292.00
<b>Subscription to CCD</b>		
Subsidiary companies		
TDPL	2,050.00	2,630.00
<b>Guarantee given on behalf of</b>		
Subsidiary Company		
ETSPL	-	1,902.41
Enterprises under significant influence		
TLSU	2,000.00	2,000.00
<b>Managerial remuneration (Refer note below)</b>		
Key managerial personnel and their relatives		
Ashok Reddy	54.70	110.44
Manish Mahendra Sabharwal	41.50	84.04
Ravi Vishwanath	87.79	229.21
Ramani Dathi	1.87	-
Alaka Chanda	23.49	21.64
	<b>209.35</b>	<b>445.33</b>

### Note:

- As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the Company as a whole, the amount pertaining to key management personnel is not included.
- The above includes reversal of ₹ 32.02 Lakhs (net) (31 March 2020: charge of ₹105.49 Lakhs) for share based compensation.

### (iii) Outstanding balances as at year ended

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Loans and advances receivable</b>		
Subsidiary companies		
IIJT (also refer note 47)	32.00	20.00
TDPL	420.36	2,568.95
TLEF	467.50	5,638.42
E-Hire	985.50	535.00
IMSI		
Joint venture		
ARPL	100.00	98.89

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Deposit receivable</b>		
Subsidiary companies		
IIJT (also refer note 47)	10.00	-
<b>Debenture application money pending allotment</b>		
Subsidiary companies		
TDPL	1,460.00	1,292.00
<b>Trade/other receivables</b>		
Subsidiary companies		
TLEF	257.65	498.98
TDPL	12.11	39.20
E-Hire	70.91	35.10
KBSPL	-	0.24
ETSPL	32.82	8.51
IMSI	1.19	-
TLEL	0.75	-
Enterprises under significant influence		
TLSU	2,768.08	3,927.91
Associates		
TLEL	-	0.15
Joint Venture		
ARPL	33.43	35.24
<b>Investments in equity shares</b>		
Subsidiary companies		
TLEF	1.00	1.00
TDPL	2,363.50	2,363.50
IMSI	6,455.55	6,455.55
IIJT (net of provision) (also refer note 47)	408.52	235.15
TLEF	1,934.65	1,934.65
TLEL	2,542.94	-
Associate		
TLEL	-	758.90
Joint Venture		
ARPL	445.18	0.01
<b>Investments in preference shares</b>		
Associate		
TLEL	-	1,350.00
Joint Venture		
ARPL	705.66	705.66
<b>Investments in CCDs</b>		
Subsidiary companies		
TDPL	16,940.00	14,650.00
<b>Trade payables</b>		
Subsidiary companies		
TDPL	148.69	112.15
E-Hire	4.65	19.62
ETSPL	140.08	186.31

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
IMSI	6.00	0.41
TLEL	0.97	-
IIJT	4.97	-
Enterprises under significant influence		
TLSU	68.23	48.48
Joint Venture		
ARPL	1.48	11.71
<b>Interest accrued on CCDs</b>		
Subsidiary companies		
TDPL	-	5.96
<b>Guarantee given on behalf of</b>		
Subsidiary Companies		
TDPL (Refer note 41)	1,200.00	1,200.00
ETSPL (Refer note 41)	-	1,902.41
Enterprises under significant influence		
TLSU (Refer note 41)	4,000.00	2,000.00

**Note 41 :** Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to Securities (Listing Obligation and Disclosure Requirements) Regulations, 2015, as regards the loans and inter-corporate deposits granted to subsidiaries, associates and other companies in which the directors are interested:

### (i) Loans and advances in the nature of loans to subsidiaries

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Balance as at the year end</b>		
TLEF	467.50	5,638.42
E-Hire	985.50	535.00
TDPL	420.36	2,568.95
IIJT	12.00	-
<b>Total</b>	<b>1,885.36</b>	<b>8,841.27</b>
<b>Maximum amount outstanding at any time during the year</b>		
TLEF	6,200.00	6,439.42
E-Hire	985.50	535.00
TDPL	2,968.95	4,225.25
IMSI	-	300.00
IIJT	12.00	-
<b>Total</b>	<b>10,166.45</b>	<b>11,799.67</b>

### (ii) Loans and advances in the nature of loans to firms/companies in which directors are interested:

There are no outstanding dues from directors or other officers of the Company.

Note: None of the loanees have made any investments in the shares of the Company.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

**Note 42:** Details of dues to micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

	₹ in lakhs	
	31 March 2021	31 March 2020
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	99.88	161.45
- Interest due on above	1.53	8.46
<b>Total</b>	<b>101.41</b>	<b>169.91</b>
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.	1.19	7.93
The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.53	8.46
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.	1.53	8.46

## Note 43: Contingent liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
(a) Service tax matters in dispute*	463.03	463.03
(b) Disputed bonus liability**	3,349.33	3,349.33
(c) Claims not acknowledged as debts (under dispute)***	-	595.56
(d) Income tax matters in dispute	151.13	121.48
(e) Bank guarantee given for overdraft facility taken by TDPL	1,200.00	1,200.00
(f) Corporate guarantee given jointly with TDPL for credit facility taken by Evolve	-	1,902.41
(g) Corporate guarantee given for credit facility taken by TLSU	4,000.00	2,000.00

\* In addition to aforesaid service tax matters in dispute, there is a case pending with CESTAT for service tax demands pertaining to the period April 2006 to December 2008 aggregating to ₹ 887.81 lakhs (including penalty etc.) against which the Company has already settled ₹ 442.46 lakhs and balance is partly provided for as a matter of abundant caution (Refer note 21).

\*\* Bonus liability pursuant to the amendment of Payment of Bonus Act, 1965, for financial year 2014-15 is considered as contingent liability, based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country. As per the contractual agreement with the customers, ₹ 3,332.97 lakhs in respect of associate employees is recoverable from the customers in case such liability arises.

\*\*\* Represents claim preferred by the erstwhile promoters of ASAP Info Systems Private Limited ("ASAP"), towards final consideration payable upon fulfilment of certain agreed criteria as per the share purchase agreement. On 25 October 2019, the Arbitration Tribunal had passed an order, which was subsequently revised on 16 December 2019, basis which TDPL, a subsidiary of the Company, was required to pay the amount to the erstwhile promoter's of ASAP along with interest and legal costs. On 6 October 2020, TDPL and erstwhile promoters of ASAP entered into a Compromise Memo, whereby they filed an application with the Arbitration Tribunal to set aside the abovementioned Order and TDPL has paid ₹ 300 lakhs as full and final settlement towards the claim.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 44: Commitments

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	78.01	2.65

## Note 45: Corporate Social Responsibility Expenditure

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.

	₹ in lakhs	
	31 March 2021	31 March 2020
Gross amount required to be spent by the Company during the year	175.32	144.61
Amount spent on purposes other than construction/ acquisition of any asset	253.86*	66.07
<b>Balance</b>	<b>-</b>	<b>78.54</b>

\* Includes ₹ 78.54 lakhs for previous year.

## Note 46: Risk Exposure of Certain PF Trust Investments

The Company has its own Provident Fund Trust i.e. "TeamLease Services Ltd. Employees Provident Fund Trust" ("PF Trust") through which it manages provident fund liability for its employees. Accordingly, the PF Trust is considered as a defined benefit plan. The PF Trust has made investments of ₹ 17,373.78 lakhs (31 March 2020: ₹ 17,373.78 lakhs) in two non-banking financial companies ('NBFCs') which have maturities between FY 2020-21 to FY 2026-27, which are currently under severe liquidity stress.

The total assets under the PF Trust as at 31 March 2021, amounts to ₹ 144,259.22 lakhs (31 March 2020: ₹ 127,419.50 lakhs) and there is an unrealised MTM gain of ₹ 10,342.76 lakhs (31 March 2020: ₹ 7,800.00 lakhs) on account of certain other investments. There is a net surplus of ₹ 2,543.67 lakhs as at 31 March 2021 (31 March 2020: ₹ 3,824.33 lakhs) without considering the impact of any MTM gains/losses on the investment portfolio of the Trust.

The management, in consultation with its PF Trust's investment advisor, is of the view that the current reserves of the Trust and future MTM gains including on equity investments will be sufficient to absorb any potential shortfall in Trust accounts. Pending clarity on the actual quantum of shortfall, no provision has been made in the accompanying financial results, towards any future potential obligation that may arise on the Company.

This matter will be monitored closely and any incremental shortfall identified will be provided, as and when determined by the PF Trust.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 47: Assets held for sale

Subsequent to the year ended 31 March 2021, the Company has entered into a Memorandum of Understanding with a third party, for sale of 100% equity stake in its subsidiary company IIJT Education Private Limited (IIJT) at an agreed consideration of ₹ 470.00 lakhs. Accordingly, below mentioned assets and liabilities pertaining to IIJT have been classified as held for sale in the Balance Sheet.

	₹ in lakhs	
Assets	31 March 2021	31 March 2020
Investment (net of provision) (Refer note 7)	408.52	-
Other assets	42.00	-
<b>Total Assets classified as held for sale</b>	<b>450.52</b>	<b>-</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>4.97</b>	<b>-</b>

## Note 48: Effect of Covid-19

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

## Note 49: Previous year

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

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

**Per Navin Agrawal**  
Partner  
Membership Number: 056102

Place: Bangalore  
Date: 9 June 2021

For and on behalf of the Board of Directors of  
TeamLease Services Limited

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Ramani Dathi**  
Deputy Chief Financial Officer

Place: Bangalore  
Date: 9 June 2021

**Latika Pradhan**  
Director  
DIN: 07118801

**Ataka Chanda**  
Company Secretary  
F10911

# INDEPENDENT AUDITOR'S REPORT

To the Members of TeamLease Services Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of TeamLease Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Qualified Opinion

Attention is invited to Note 45 to the accompanying consolidated Ind AS financial statements, more fully explaining management's position in relation to non-provision for possible shortfall in the value of the assets of the Provident Fund Trust managing the Holding Company's defined benefit plan ("Team Lease Employees Provident Fund Trust" or "PF Trust"). The PF Trust has made unsecured investments of ₹ 17,373.78 Lakhs in bonds of certain non-banking financial companies ("NBFC Companies"), which are under severe liquidity stress. These bonds fall due for repayment between FY 2020-21 to FY 2026-27. In the absence of sufficient evidence regarding eventual repayment of the

bonds (including interest arrears) by the NBFC Companies, we are unable to comment on the appropriateness or otherwise of management's position regarding the non-provisioning of the possible shortfall in the value of the assets of the PF Trust and the consequential impact on the consolidated Ind AS financial statements and financial position of the Group as at and for the year ended March 31, 2021. Our audit report for the year ended March 31, 2020 was also qualified in respect of this matter.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 qualified audit opinion on the consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the

performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>A. Revenue recognition and recoverability of trade receivables</b>	
<p>The Group consolidated revenues for the Financial Year 2020-2021 amounted to ₹ 488,145.67 Lakhs (2019-2020: ₹ 520,072.26 Lakhs). Majority of the Group's revenues come from General staffing and allied services.</p> <p>The Group has various streams of revenue with multiple types of customer contracts characterized by a large volume of transactions.</p> <p>The Group has adopted a provision policy in respect of overdue trade receivables based on the past collection trends and industry data and factored impact of future credit risk on account of COVID-19.</p> <p>Due to the multiple types of revenue contracts with various streams, significance of carrying values of trade receivables and the judgement involved for doubtful debts provision, this matter was considered significant to our audit. Refer to Note 27 and Note 15 to the consolidated Ind AS financial statements for the group's disclosure on revenues and trade receivables respectively.</p>	<p>We understood, evaluated and tested the operating effectiveness of internal controls over revenues and trade receivables processes.</p> <p>We selected samples from various types of customer contracts and tested the occurrence, completeness and measurement of those transactions by inspecting the underlying documents.</p> <p>We performed audit procedures on existence of trade receivables, which included obtaining and comparing balance confirmations with books, testing of invoices and subsequent collections for audit samples selected.</p> <p>We evaluated the assumptions used to calculate the provision for trade receivables through analysis of ageing, historical collection and bad debts write-off trends, specific individual circumstances of the customers and forward-looking estimates taking into account the possible effect of current economic environment arising from COVID-19 situation.</p> <p>We assessed the disclosures in the consolidated Ind AS financial statements for compliance with the disclosure requirements.</p>
<b>B. Impairment of Goodwill</b>	
<p>Goodwill in consolidated financial statements is ₹ 17,737.94 Lakhs as at March 31, 2021.</p> <p>In determining the fair value/value in use of business reporting units, the Group has applied judgment in estimating future revenues, operating profit margins, long-term growth rate and discount rates.</p> <p>The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment.</p> <p>Key assumptions concerning the impairment test are disclosed in Note 6 to the consolidated Ind AS financial statements.</p> <p>Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, this matter was considered significant to our audit.</p>	<p>We assessed and tested the operating effectiveness of the internal controls over preparation of annual budgets and future forecasts for various business reporting units.</p> <p>We compared the future operating cash flow forecasts with the business plan and budgets duly approved by the Board.</p> <p>We involved valuation specialists to assist in examining the Group's valuation model and analyzing the underlying key assumptions, including long-term growth rates and discount rates taking into account the possible effect of COVID-19 situation.</p> <p>We evaluated the sensitivity in the valuation, resulting from changes to key assumptions and compared the assumptions to corroborating information including industry reports and competitor's information, historic performance, local economic developments and industry outlook.</p>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, Corporate Governance Report, Business Responsibility Report and Report on Management Discussion and Analysis included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture 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. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 ability of the Group and its joint venture 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters

in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of eight subsidiaries whose Ind AS financial statements include total assets of ₹ 30,699.05 Lakhs as at March 31, 2021, and total revenues of ₹ 42,082.07 Lakhs and net cash inflows of ₹ 2,312.66 Lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 108.58 Lakhs for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of one associate (upto September 8, 2020) and one joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and joint venture, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated Ind AS financial statements;
- (b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of

account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies and its associate and joint venture, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and joint venture, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. However, the said provisions are not applicable to the subsidiaries and joint venture incorporated in India for the year ended March 31, 2021;
- (j) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint venture in its consolidated Ind AS financial statements – Refer Note 41 to the consolidated Ind AS financial statements;
  - ii. The group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2021.

For **S.R. Battiboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Navin Agrawal**

Partner

Membership Number: 056102

UDIN: 21056102AAAABL5779

Place of Signature: Bengaluru

Date: June 9, 2021



# ANNEXURE 1

## to the Independent Auditor's Report of even date on the Consolidated Ind AS financial statements of TeamLease Services Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of TeamLease Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date. This report however does not include report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Act (the "Report on Internal Financial Controls") for Avantis Regtech Private Limited, Joint Venture of the Holding Company, as according to the information and explanation given to us, the said report on Internal Financial Controls is not applicable to such Joint Venture, basis the exemption available under MCA notification no. G.S.R. 583(E) dated July 13, 2017.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal financial 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 respective 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 Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the

extent applicable to an audit of internal financial controls, both issued by the 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 consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

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

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls with reference to consolidated Ind AS financial statements in case of its subsidiaries, which are companies incorporated in India, a material weakness has been identified in the Holding Company's internal financial controls over financial reporting as at March 31, 2021 as regards non-provision of possible shortfall in the value of the assets of the Provident Fund Trust managing the Holding Company's defined benefit plan for employees provident fund obligations. Our audit report for the year ended March 31, 2020 was also qualified in respect of this matter.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated Ind AS financial statements, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the companies included

in the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements insofar as it relates to eight subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the ICAI as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 consolidated Ind AS financial statements of TeamLease Services Limited and this report affects our report dated June 9, 2021, which expressed a qualified opinion on those financial statements.

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

per **Navin Agrawal**  
Partner  
Membership Number: 056102  
UDIN: 21056102AAAABL5779

Place of Signature: Bengaluru  
Date: June 9, 2021

# CONSOLIDATED BALANCE SHEET

as at 31 March 2021

₹ in lakhs

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,168.32	1,342.48
Right of use assets	5	2,009.77	4,010.06
Goodwill	6	17,737.94	16,483.45
Other intangible assets	6	4,572.50	4,628.95
Intangible assets under development		1,508.70	1,142.40
Financial assets			
Investment in associate and joint venture	7	904.92	2,531.31
Loans	9	780.77	6,160.13
Other financial assets	11	8,383.69	6,542.85
Deferred tax assets (net)	12	495.95	1,442.45
Income tax assets (net)	13	9,998.81	24,432.08
Other non-current assets	14	58.77	70.06
<b>Total non-current assets</b>		<b>47,620.14</b>	<b>68,786.22</b>
<b>Current assets</b>			
Financial assets			
Investments	8	6,093.78	-
Trade receivables	15	27,768.61	29,593.62
Cash and cash equivalents	16	25,911.76	6,424.07
Bank balances other than cash and cash equivalents	16	2,956.99	3,276.19
Loans	9	275.11	598.78
Unbilled Revenue	10	12,963.76	9,793.02
Other financial assets	11	5,002.67	4,930.53
Other current assets	17	1,968.52	1,901.35
Assets classified as held for sale	47	517.95	221.73
<b>Total current assets</b>		<b>83,459.15</b>	<b>56,739.29</b>
<b>Total assets</b>		<b>1,31,079.29</b>	<b>1,25,525.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	1,709.68	1,709.68
Other equity			
Owners of the parent company	19A	63,492.89	55,499.15
Non-controlling interest	19B	400.32	-
<b>Total equity</b>		<b>65,602.89</b>	<b>57,208.83</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	24	1,448.31	3,222.45
Net employee defined benefit liabilities	20	8,825.32	7,274.06
Other non-current liabilities	21	421.90	421.90
<b>Total non-current liabilities</b>		<b>10,695.53</b>	<b>10,918.41</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	1.38	7,623.42
Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		517.63	546.24
Total outstanding dues other than micro enterprises and small enterprises		2,360.45	3,236.09
Lease Liabilities	24	835.20	1,521.52
Other financial liabilities	25	23,992.61	19,578.44
Net employee defined benefit liabilities	20	5,158.47	4,854.60
Other current liabilities	26	21,842.74	20,021.71
Liabilities directly associated with the assets classified as held for sale	47	72.39	16.25
<b>Total current liabilities</b>		<b>54,780.87</b>	<b>57,398.27</b>
<b>Total liabilities</b>		<b>65,476.40</b>	<b>68,316.68</b>
<b>Total equity and liabilities</b>		<b>1,31,079.29</b>	<b>1,25,525.51</b>
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the consolidated 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: 056102For and on behalf of the Board of Directors of  
TeamLease Services Limited**Ashok Reddy**  
Managing Director  
DIN: 00151814**Latika Pradhan**  
Director  
DIN: 07118801**Ramani Dathi**  
Deputy Chief Financial Officer**Alaka Chanda**  
Company Secretary  
F10911Place: Bangalore  
Date: 9 June 2021Place: Bangalore  
Date: 9 June 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

₹ in lakhs

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Income</b>			
Revenue from operations	27	4,88,145.67	5,20,072.26
Other income	28	3,471.86	3,084.28
<b>Total income</b>		<b>4,91,617.53</b>	<b>5,23,156.54</b>
<b>Expenses</b>			
Employee benefits expense	29	4,68,698.01	4,93,647.74
Finance costs	30	689.83	1,228.89
Depreciation and amortization expense	31	3,370.50	2,858.92
Other expenses	32	9,596.99	16,915.03
<b>Total expenses</b>		<b>4,82,355.33</b>	<b>5,14,650.58</b>
<b>Profit before share of profit/ (loss) from associate/ joint venture, exceptional item and tax</b>		<b>9,262.20</b>	<b>8,505.96</b>
<b>Share of loss from associate and joint venture</b>		(108.58)	(208.56)
<b>Profit before exceptional item and tax</b>		<b>9,153.62</b>	<b>8,297.40</b>
Exceptional Item	41	(300.00)	-
<b>Profit before tax</b>		<b>8,853.62</b>	<b>8,297.40</b>
<b>Tax expense:</b>			
Current tax	13	253.75	199.52
Tax provision for earlier years		154.55	64.56
<b>Deferred tax</b>			
Minimum Alternate Tax (MAT) (credit)/write off		(7.93)	4,963.91
Deferred tax charge/(credit)		605.78	(428.12)
<b>Income tax expense</b>		<b>1,006.15</b>	<b>4,799.87</b>
<b>Profit for the year</b>		<b>7,847.47</b>	<b>3,497.53</b>
Attributable to:			
Owners of the parent company		7,750.11	3,497.53
Non-controlling interest		97.36	-
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains on defined benefit obligations	34	197.44	38.51
Income tax effect		(49.76)	(9.55)
<b>Other comprehensive income for the year, net of tax</b>		<b>147.68</b>	<b>28.96</b>
Attributable to:			
Owners of the parent company		146.88	28.96
Non-controlling interest		0.80	-
<b>Total comprehensive income for the year, net of tax</b>		<b>7,995.15</b>	<b>3,526.49</b>
Attributable to:			
Owners of the parent company		7,896.99	3,526.49
Non-controlling interest		98.16	-
<b>Earnings per equity share:</b>			
Basic and diluted (amount in ₹)	33	45.33	20.46
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the consolidated 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 of  
TeamLease Services Limited

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Ramani Dathi**  
Deputy Chief Financial Officer

**Latika Pradhan**  
Director  
DIN: 07118801

**Alaka Chanda**  
Company Secretary  
F10911

Place: Bangalore  
Date: 9 June 2021

Place: Bangalore  
Date: 9 June 2021

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

₹ in lakhs

Notes	As at 31 March 2021	As at 31 March 2020
<b>Operating activities</b>		
<b>Profit before tax</b>	8,853.62	8,297.40
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	3,370.50	2,858.92
Finance costs	689.83	1,228.89
Interest income	(1,522.65)	(1,218.67)
Loss on disposal of property, plant and equipment (net)	0.25	7.58
Fair value adjustments (net)	(189.19)	(3.62)
Liabilities/provisions no longer required written back	(1,573.58)	(1,676.31)
GST and Service tax written off	-	604.21
Bad debts written off (net)	761.07	912.92
Provision for expected credit loss	615.62	895.92
Provision for doubtful advances	142.69	251.81
Share-based payment expenses (net)	96.75	264.88
Share of loss from associate and joint venture	108.58	208.56
Sundry balances written off	24.07	27.84
Net gain on sale of current investments	(72.51)	(70.82)
Net fair value gains on current investments	(8.47)	-
<b>Working capital adjustments</b>		
(Increase) / decrease in trade receivables	506.34	(3,131.34)
(Increase) / decrease in loans	270.38	(195.55)
(Increase) / decrease in other assets	(186.77)	1,061.58
(Increase) / decrease in unbilled revenue and other financial assets	(5,233.77)	(2,679.72)
Increase / (decrease) in trade payables and other financial liabilities	4,900.10	(1,862.94)
Increase / (decrease) in other liabilities	2,999.40	1,200.02
Increase / (decrease) in net employee defined benefit liabilities	1,996.21	2,541.04
	<b>16,548.47</b>	<b>9,522.60</b>
Income tax refunds/(payments)	13,784.27	(8,553.18)
<b>Net cash flows from/(used in) operating activities</b>	<b>30,332.74</b>	<b>969.42</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(371.42)	(801.59)
Purchase of intangible assets (including intangibles under development)	(656.64)	(773.16)
Proceeds from sale of property, plant and equipment	45.79	4.91
Acquisition of business (net of cash and cash equivalents)	(1,499.80)	(8,900.51)
Sale / (purchase) of current investments	(5,726.33)	1,671.59
Loans and advances repaid by/(given to) related parties	5,373.89	206.11
Purchase of non-current investments	(445.19)	(200.00)
Matured fixed deposits (net)	192.94	3,114.78
Interest received	1,860.02	948.00
<b>Net cash flows from/(used in) investing activities</b>	<b>(1,226.74)</b>	<b>(4,729.87)</b>
<b>Financing activities</b>		
Proceeds from issue on exercise of stock options	0.61	1.27
Proceeds from / (repayment of) borrowings (net)	(2,444.01)	2,443.74
Repayment of principal portion of lease liability	(1,340.71)	(1,270.90)
Finance costs (including on lease liability)	(656.18)	(1,181.99)
<b>Net cash flows from/(used in) financing activities</b>	<b>(4,440.29)</b>	<b>(7.88)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,665.71</b>	<b>(3,768.33)</b>
Cash and cash equivalents at the beginning of the year	1,244.67	5,013.00
<b>Cash and cash equivalents at the end of the year</b>	<b>25,910.38</b>	<b>1,244.67</b>
Summary of significant accounting policies	16 3	

The accompanying notes are an integral part of the consolidated 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: 056102For and on behalf of the Board of Directors of  
TeamLease Services Limited**Ashok Reddy**  
Managing Director  
DIN: 00151814**Ramani Dathi**  
Deputy Chief Financial Officer**Latika Pradhan**  
Director  
DIN: 07118801**Alaka Chanda**  
Company Secretary  
F10911Place: Bangalore  
Date: 9 June 2021Place: Bangalore  
Date: 9 June 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

## a. Equity share capital:

Issued, subscribed and fully paid share capital

	Numbers	Amount (in ₹ Lakhs)
<b>Equity shares of ₹ 10 each:</b>		
<b>At 1 April 2019</b>	<b>1,70,96,769</b>	<b>1,709.68</b>
Additions during the year	-	-
<b>At 31 March 2020</b>	<b>1,70,96,769</b>	<b>1,709.68</b>
Additions during the year	-	-
<b>At 31 March 2021</b>	<b>1,70,96,769</b>	<b>1,709.68</b>

## b. Other equity

Particulars	Attributable to equity shareholders of the Company				Non- controlling interest	Total other equity
	Reserves and surplus					
	Securities premium	Stock option outstanding reserve	Retained earnings	Total		
<b>As at 1 April 2019</b>	<b>23,972.72</b>	<b>540.42</b>	<b>27,688.76</b>	<b>52,201.90</b>	-	<b>52,201.90</b>
Ind AS 116 transition adjustment	-	-	(494.12)	(494.12)	-	(494.12)
Profit for the year	-	-	3,497.53	3,497.53	-	3,497.53
Other comprehensive income	-	-	28.96	28.96	-	28.96
<b>Total comprehensive income</b>	<b>23,972.72</b>	<b>540.42</b>	<b>30,721.13</b>	<b>55,234.27</b>	-	<b>55,234.27</b>
Stock option compensation expense	-	264.88	-	264.88	-	264.88
<b>As at 31 March 2020</b>	<b>23,972.72</b>	<b>805.30</b>	<b>30,721.13</b>	<b>55,499.15</b>	-	<b>55,499.15</b>
<b>As at 1 April 2020</b>	<b>23,972.72</b>	<b>805.30</b>	<b>30,721.13</b>	<b>55,499.15</b>	-	<b>55,499.15</b>
Acquisition of additional stake in subsidiary (Note 48)	-	-	-	-	302.16	302.16
Profit for the year	-	-	7,750.11	7,750.11	97.36	7,847.47
Other comprehensive income	-	-	146.88	146.88	0.80	147.68
<b>Total comprehensive income</b>	<b>23,972.72</b>	<b>805.30</b>	<b>38,618.12</b>	<b>63,396.14</b>	<b>400.32</b>	<b>63,796.46</b>
Stock option compensation expense	-	96.75	-	96.75	-	96.75
Exercise/ lapse of stock options	682.29	(714.15)	31.86	-	-	-
<b>At 31 March 2021</b>	<b>24,655.01</b>	<b>187.90</b>	<b>38,649.98</b>	<b>63,492.89</b>	<b>400.32</b>	<b>63,893.21</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

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

For and on behalf of the Board of Directors of  
TeamLease Services Limited

**Per Navin Agrawal**  
Partner  
Membership Number: 056102

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Latika Pradhan**  
Director  
DIN: 07118801

**Ramani Dathi**  
Deputy Chief Financial Officer

**Alaka Chanda**  
Company Secretary  
F10911

Place: Bangalore  
Date: 9 June 2021

Place: Bangalore  
Date: 9 June 2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## 1 Corporate information

TeamLease Services Limited (the "Company") and its subsidiaries, associate, joint venture and trust are collectively referred herein as the "Group". The Group is primarily engaged in providing a gamut of HR services that include Staffing Services, Temporary Recruitment, Permanent Recruitment, Payroll Process Outsourcing, Regulatory Compliance Services, Vocational Training / Education and Assessments, Telecom Staffing, Technology led specialized academic services and end to end hiring technology driven products.

The Company was converted into a Public Limited Company and obtained a fresh certificate of incorporation dated 15 May 2015. The equity shares of the Company got listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") w.e.f. 12 February 2016.

The consolidated financial statements are approved by the board of directors and authorized for issue in accordance with a resolution of the directors on 9 June 2021.

## 2 Basis of preparation

The consolidated financial statements of the Group 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).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments), defined benefit plan assets 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.

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

### (i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associate, joint venture and ESOP trust as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31 March.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

## Group information:

### (a) Subsidiaries and Trust

The consolidated financial statements of the Group includes subsidiaries and ESOP trust listed in the table below:

Name of the subsidiary	Principal activities	Country of incorporation	% equity interest	
			31 March 2021	31 March 2020
TeamLease Education Foundation ('TLEF')	Education and apprenticeship	India	100	100
TeamLease Digital Private Limited ('TDPL')	IT Staffing business	India	100	100
Keystone Business Solutions Private Limited ('KBSPL')	IT Staffing business	India	100	100
Evolve Technologies and Services Private Limited ('Evolve')	Telecom Staffing business	India	100	100
TeamLease e-Hire Private Limited ('e-Hire')	End to end hiring technology driven products	India	100	100
I.M.S.I Staffing Private Limited ('IMSI') (subsidiary w.e.f. 12 November 2019)	IT Staffing business	India	100	100
TeamLease Edtech Limited (formerly known as School Guru Eduserve Private Limited) ('TLEL') (subsidiary w.e.f. 9 September 2020)	Technology-led specialised academic services	India	78.43	-
IJIT Education Private Limited ('IJIT')	Rental activity	India	100	100
TeamLease Employee Stock Plan Trust	ESOP Trust	India	100	100

### (b) Associate and Joint venture

Associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Details of associate and joint venture considered for consolidation, with respective holdings thereof are as follows:

Particulars	Principal activities	Country of incorporation	Date of acquisition	% of holding	
				31 March 2021	31 March 2020
<b>Associate</b> TeamLease Edtech Limited (subsidiary w.e.f. 9 September 2020)	Technology-led specialised academic services	India	1 December 2017	-	22.19
<b>Joint venture</b> Avantis Regtech Private Limited	SAAS based governance, risk and compliance automation	India	1 November 2018	43.00	33.33

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate and a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate and joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the associate and joint venture. Unrealised gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate and joint venture.

If an entity's share of losses of an associate equals or exceeds its interest in the associate and joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate and joint venture), the entity discontinues recognising its share of further losses, unless the Group has legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

## 3 Summary of significant accounting policies

### 3.1 Current versus non-current classification

The Group 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
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group 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 acquisition of assets for processing and their realisation in cash and cash equivalents. The Group 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 Group 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 Group.

#### ii) Transactions and balances

Foreign currency transactions are initially recorded by the Group 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.

### 3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group 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 in the contracts with customers.

## Recruitment and other services

Revenue from permanent recruitment services, temporary recruitment services, skills and development, regulatory services, job portal, Payroll, NETAP and specialized academic services is recognized on accrual basis on performance of the services as agreed in the customer contracts.

## 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 Group 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 Group's right to receive the payment is established, which is generally when the 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 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;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

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.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period or it is no longer eligible for set off in future years.

## 3.5 Assets held for sale

The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

## 3.6 Leases

The Group 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.

### Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases

and leases of low-value assets. The Group 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 Group 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 3.9 impairment of non-financial assets.

### ii) Lease Liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 Group 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.

### Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 3.7 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.

### 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
Office equipment	3-8
Computers	3
Furniture and fixtures	3-10
Vehicles	6-10
Plant and machinery	2

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

## 3.8 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 amortisation 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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation 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.

Gains or losses 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.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

## 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
Softwares	3-5 years	Acquired/Internally generated
Brands	3-4 years	Acquired
Non compete	3-5 years	Acquired
Customer relationships	5 years	Acquired
Databases	4 years	Acquired

## 3.9 Impairment of non-financial assets

The Group 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 Group 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.

## 3.10 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 Group 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.

Investment in equity instruments issued by associate and joint venture are measured at cost less impairment. Investment in preference shares/ debentures of the associate and joint venture are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## 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.

#### Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Group follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the Group 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.

#### Derecognition of financial assets

A financial asset is derecognised only when the rights to receive cash flows from the asset have

expired or the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group 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/losses are not subsequently transferred to the statement of profit and loss. However, the Group 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## 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 Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

#### Fair value hierarchy:

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group 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.

## 3.11 Borrowing costs

Borrowing costs consist of interest and other costs that the Group 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.

## 3.12 Treasury shares

The Company has created an Employee Benefit Trust ('EBT') for providing share-based payment to its employees. The promoters and directors of the Company, in prior years had contributed certain equity shares free of cost to EBT, which are issued to employees in accordance with the Company's Employee stock option plan.

The Company treats EBT as its extension and shares held by EBT are treated as treasury shares carried at nil value. Share options exercised during the reporting period are adjusted against treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve.

## 3.13 Cash and cash equivalents

Cash and cash equivalents 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.

## 3.14 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

Group 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:

- a) The date of the plan amendment or curtailment, and
- b) The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated 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.

## Contribution to TeamLease Provident Fund

The Group has a defined benefit plan for post employment benefits in the form of provident fund. The Group makes contribution for provident fund to the trust set up by the Group and administered by the trustees. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, is made good by the Group. The Group's liability is actuarially determined (deterministic approach) at the end of the year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise. Also refer Note 45.

## Defined contribution plan

### Contribution to Government Provident Fund

In case of subsidiaries and certain employees of TeamLease services limited, the Group pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Group 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 Group receive remuneration in the form of employee option plan of the Group (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. 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 amortisation). 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 Group's estimate of equity instruments that will eventually vest.

## Compensated absences

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

## 3.15 Provisions and contingent liability

### Provision

Provisions are recognised when the Group 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 Group 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 Group, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation.

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

## 3.16 Cash dividend distribution to equity holders

The Group recognizes a liability to make cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. 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.

## 3.17 Earnings Per Share (EPS)

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

## 3.18 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 Group and allocated resources based on the analysis of various performance indicators of

the Group. The operating segment comprises of the following:

- a) Staffing and Allied Services - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAP.
- b) Other HR Services - Comprises of Permanent Recruitment, Regulatory Compliance, Training Operations, Job Portal and Specialized Academic Services.
- c) Specialized Staffing Services - Comprises of IT Staffing and Telecom Staffing Operations.

## 3.19 Changes in accounting policies and disclosures

### Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the financial statements.

### Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no significant impact on the financial statements of the Group.

## Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

### 3.20 Business combinations and goodwill

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration paid measured at acquisition date fair value. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. Impairment loss recognised for goodwill is not reversed in subsequent periods.

### 3.21 Significant accounting judgments, estimates and assumptions

The preparation of the Group'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 Group 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 Group. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses 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.

## Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

These valuations are conducted by independent valuation experts.

## Impairment of goodwill and non-current investments

Determining whether goodwill and other non-current investments are impaired requires an estimation of the value in use of the individual investments 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 Group estimates the probability of collection of accounts receivable by analyzing 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.

## Covid-19 pandemic related uncertainty

Refer Note 50 in respect of disclosure relating to likely impact of Covid-19 on the future cash flows and going concern assessments made by the management.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 4: Property, plant and equipment

₹ in lakhs

	Office equipment	Computers	Furniture & fixtures	Vehicles	Plant & machinery	Leasehold Improvements	Total
<b>Gross block</b>							
<b>As at 1 April 2019</b>	<b>385.00</b>	<b>340.90</b>	<b>158.82</b>	<b>51.33</b>	<b>256.78</b>	<b>295.18</b>	<b>1,488.01</b>
Acquired on acquisitions (Refer note 48)	1.75	3.87	-	-	-	-	5.62
Additions	150.30	314.06	140.17	-	22.30	174.71	801.54
Disposals	(0.65)	-	-	(25.34)	(5.04)	-	(31.03)
<b>As at 31 March 2020</b>	<b>536.40</b>	<b>658.83</b>	<b>298.99</b>	<b>25.99</b>	<b>274.04</b>	<b>469.89</b>	<b>2,264.14</b>
Acquired on acquisitions (Refer note 48)	2.66	4.64	10.93	-	-	-	18.23
Additions	34.90	215.38	5.20	15.35	33.16	67.43	371.42
Disposals	(23.44)	(63.78)	(14.77)	(10.54)	-	(18.73)	(131.26)
Classified as asset held for sale (Refer note 47)	-	-	-	-	-	(19.95)	(19.95)
<b>As at 31 March 2021</b>	<b>550.52</b>	<b>815.07</b>	<b>300.35</b>	<b>30.80</b>	<b>307.20</b>	<b>498.64</b>	<b>2,502.58</b>
<b>Accumulated depreciation</b>							
<b>As at 1 April 2019</b>	<b>151.73</b>	<b>173.94</b>	<b>64.67</b>	<b>14.47</b>	<b>132.79</b>	<b>18.93</b>	<b>556.53</b>
Charge during the year	90.57	116.72	27.58	6.39	58.68	83.73	383.67
Disposals	(0.34)	-	-	(16.33)	(1.87)	-	(18.54)
<b>As at 31 March 2020</b>	<b>241.96</b>	<b>290.66</b>	<b>92.25</b>	<b>4.53</b>	<b>189.60</b>	<b>102.66</b>	<b>921.66</b>
Charge during the year	89.61	183.33	48.16	5.88	66.96	108.89	502.83
Disposals	(22.07)	(39.43)	(8.21)	(7.94)	-	(7.59)	(85.24)
Classified as asset held for sale (Refer note 47)	-	-	-	-	-	(4.99)	(4.99)
<b>As at 31 March 2021</b>	<b>309.50</b>	<b>434.56</b>	<b>132.20</b>	<b>2.47</b>	<b>256.56</b>	<b>198.97</b>	<b>1,334.26</b>
<b>Net Block</b>							
<b>As at 31 March 2020</b>	<b>294.44</b>	<b>368.17</b>	<b>206.74</b>	<b>21.46</b>	<b>84.44</b>	<b>367.23</b>	<b>1,342.48</b>
<b>As at 31 March 2021</b>	<b>241.02</b>	<b>380.51</b>	<b>168.15</b>	<b>28.33</b>	<b>50.64</b>	<b>299.67</b>	<b>1,168.32</b>

## Note 5: Right of Use Assets

₹ in lakhs

	Buildings
<b>Gross block</b>	
<b>Initial recognition pursuant to adoption of Ind AS 116 as on 1 April 2019</b>	<b>6,353.47</b>
Additions	2,151.70
Disposals	(528.85)
<b>As at 31 March 2020</b>	<b>7,976.32</b>
Additions	264.89
Disposals	(2,427.00)
<b>As at 31 March 2021</b>	<b>5,814.21</b>
<b>Accumulated depreciation</b>	
<b>As at 1 April 2019</b>	<b>2,902.86</b>
Charge during the year	1,315.62
Disposals	(252.22)
<b>As at 31 March 2020</b>	<b>3,966.26</b>
Charge during the year	1,241.19
Disposals	(1,403.01)
<b>As at 31 March 2021</b>	<b>3,804.44</b>
<b>Net block</b>	
<b>As at 31 March 2020</b>	<b>4,010.06</b>
<b>As at 31 March 2021</b>	<b>2,009.77</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 6: Other Intangible assets

	₹ in lakhs						
	Customer relationships	Brands	Non-competes	Databases	Softwares	Total	Goodwill
<b>Gross block</b>							
<b>As at 1 April 2019</b>	<b>1,820.13</b>	<b>243.70</b>	<b>587.90</b>	<b>37.23</b>	<b>996.33</b>	<b>3,685.29</b>	<b>12,567.92</b>
Acquired on acquisitions (Refer note 48)	3,076.69	-	684.56	-	-	3,761.25	3,915.53
Additions	-	-	-	-	354.12	354.12	-
Disposals	-	-	-	-	(4.62)	(4.62)	-
<b>As at 31 March 2020</b>	<b>4,896.82</b>	<b>243.70</b>	<b>1,272.46</b>	<b>37.23</b>	<b>1,345.83</b>	<b>7,796.04</b>	<b>16,483.45</b>
Acquired on acquisitions (Refer note 48)	1,187.60	-	-	-	165.82	1,353.42	1,489.64
Additions	-	-	-	-	216.61	216.61	-
Disposal	-	-	-	-	-	-	-
Classified as asset held for sale (Refer note 47)	-	-	-	-	-	-	(235.15)
<b>As at 31 March 2021</b>	<b>6,084.42</b>	<b>243.70</b>	<b>1,272.46</b>	<b>37.23</b>	<b>1,728.26</b>	<b>9,366.07</b>	<b>17,737.94</b>
<b>Accumulated amortisation</b>							
<b>As at 1 April 2019</b>	<b>765.57</b>	<b>110.67</b>	<b>272.13</b>	<b>6.20</b>	<b>854.67</b>	<b>2,009.24</b>	<b>-</b>
Charge during the year	718.20	63.12	246.99	9.31	122.01	1,159.63	-
Disposals	-	-	-	-	(1.78)	(1.78)	-
<b>As at 31 March 2020</b>	<b>1,483.77</b>	<b>173.79</b>	<b>519.12</b>	<b>15.51</b>	<b>974.90</b>	<b>3,167.09</b>	<b>-</b>
Charge during the year	1,113.09	40.40	222.82	9.31	240.86	1,626.48	-
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>2,596.86</b>	<b>214.19</b>	<b>741.94</b>	<b>24.82</b>	<b>1,215.76</b>	<b>4,793.57</b>	<b>-</b>
<b>Net Block</b>							
<b>As at 31 March 2020</b>	<b>3,413.05</b>	<b>69.91</b>	<b>753.34</b>	<b>21.72</b>	<b>370.93</b>	<b>4,628.95</b>	<b>16,483.45</b>
<b>As at 31 March 2021</b>	<b>3,487.56</b>	<b>29.51</b>	<b>530.52</b>	<b>12.41</b>	<b>512.50</b>	<b>4,572.50</b>	<b>17,737.94</b>

### Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. Goodwill acquired through business combinations has been allocated to two CGUs i.e. specialised staffing services and other HR services, which are also operating and reportable segments, for impairment testing.

The following table set out the key assumptions for Goodwill impairment:

Segment	₹ in lakhs			
	31 March 2021		31 March 2020	
	Specialised Staffing Services	Other HR Services	Specialised Staffing Services	Other HR Services
Growth rate (average)	31%	92%	16%	23%
Operating margins (average)	10%	25%	9%	21%
Discount rate (post-tax)	16%	16% to 18%	18%	18%

These assumptions are based on historical trends and future market expectations related to the CGUs. Discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the risk adjusted expected returns attributable to all the assets of the CGUs. These estimates may differ from future actual results of operations and cash flows. Based on the above assessment, there has been no impairment of goodwill as at 31 March 2021.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 7: Investments

	₹ in lakhs	
	31 March 2021	31 March 2020
Non current, Unquoted (at cost, less impairment)		
<b>(A) Investments in Equity Shares</b>		
<b>Associate</b>		
TeamLease Edtech Limited (TLEL)		
Nil (31 March 2020: 184,068) equity shares of ₹ 10 each, fully paid (Refer note 2 below)	-	622.53
<b>Joint Venture</b>		
Avantis Regtech Private Limited		
27,773 (31 March 2020: 1) equity shares of ₹ 1 each (Refer note 1 below)	445.18	0.01
<b>(B) Investment in Preference Shares</b>		
<b>Associate</b>		
TeamLease Edtech Limited (TLEL)		
0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS)	-	1,350.00
Nil (31 March 2020: 269,681) preference shares of ₹ 10 each (Refer Note 2 below)		
<b>Joint Venture</b>		
Avantis Regtech Private Limited		
0.1% Compulsorily Convertible Cumulative Preference Shares (CCCPS)	459.74	558.77
307,018 (31 March 2020: 307,018) preference shares of ₹ 1 each (Refer note 1 below)		
	<b>904.92</b>	<b>2,531.31</b>
Aggregate Value of unquoted investments	904.92	2,531.31
Aggregate amount of provision for impairment	-	-

### Note:

- During the year ended 31 March 2021, the Company participated in the rights issue and invested in 27,772 equity shares of ₹ 1 each at a premium of ₹ 1,602 per share for total consideration of ₹ 445.17 lakhs and acquired additional equity stake of 21.17% in ARPL. Subsequent to the year end, the Company has further invested in 27,999 equity shares of ₹ 1 each at a premium of ₹ 1,922.16 per share aggregating to ₹ 538.47 lakhs, thereby increasing the total stake to 58.43%. ARPL is engaged in rendering Software as a Service ("SAAS") based governance, risk and compliance automation.
- During the year ended 31 March 2021, the Company entered into a definitive agreement and acquired additional equity stake of 37.14% in TeamLease Edtech Limited ('TLEL') at an agreed consideration of ₹ 434.04 lakhs, thereby increasing the total stake to 78.43% in TLEL on fully diluted basis. Accordingly, TLEL has been accounted as a subsidiary with effect from 09 September 2020. Further, on 23 December 2020, 269,681 CCCPS of TLEL has been converted into equity shares of ₹ 10 each at a premium of ₹ 490.59 per share.
- One of the subsidiary, TLEL, has investment of ₹ 4.11 lakhs in Systematix Commodities Services Pvt. Ltd which has been fully written off/provided for, hence has not been disclosed above separately.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 8: Current Investments (at fair value through profit and loss)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Investment in mutual funds</b>		
Nippon India Overnight Fund	2,005.89	-
1,819,748.54 Units of ₹ 110.23 each (31 March 2020: Nil)		
ICICI Prudential Overnight Fund	1,503.72	-
1,358,149.17 Units of ₹ 110.72 each (31 March 2020: Nil)		
DSP Liquid Fund	2,502.12	-
85,699.02 Units of ₹ 2,920.66 each (31 March 2020: Nil)		
Birla Sun Life Saving Fund	19.49	-
3,778.85 Units of ₹ 515.78 each (31 March 2020: Nil)		
ICICI Prudential Flexible Income Plan	39.58	-
183,548.28 Units of ₹ 21.57 each (31 March 2020: Nil)		
Kotak Money Market Scheme	22.98	-
3,466.94 Units of ₹ 662.82 each (31 March 2020: Nil)	6,093.78	-
	<b>6,093.78</b>	<b>-</b>
Aggregate amount of quoted investment and market value thereof		

## Note 9: Loans

### Non-current

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Loan to related parties (Refer note 40)	-	5,373.89
Security deposits	741.99	726.42
Other deposits	38.78	59.82
	<b>780.77</b>	<b>6,160.13</b>
(Credit impaired)		
Other deposits	136.45	107.03
Less: Provision	(136.45)	(107.03)
	<b>780.77</b>	<b>6,160.13</b>

### Current

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Security deposits	255.13	569.85
Other deposits	19.98	28.93
	<b>275.11</b>	<b>598.78</b>
(Credit impaired)		
Security deposits	39.67	-
Less: Provision	(39.67)	-
	<b>275.11</b>	<b>598.78</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 10: Unbilled Revenue

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
(Unsecured, Considered good)		
Unbilled revenue *	12,963.76	9,793.02
	<b>12,963.76</b>	<b>9,793.02</b>

\* Includes ₹ 833.13 lakhs related to government projects for Skills and Development for which milestones have not been achieved due to COVID-19 outbreak, but State government authorities have extended the timelines.

## Note 11: Other financial assets

### Non-current

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good, unless otherwise stated)		
Interest accrued on fixed deposits	10.30	2.42
Reimbursement right for gratuity	7,412.66	5,811.87
Reimbursement right for compensated absences	715.67	668.68
Fixed deposits with banks (maturity of more than 12 months) (Refer note 16)	245.06	59.88
	<b>8,383.69</b>	<b>6,542.85</b>

### Current

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good, unless otherwise stated)		
Interest accrued on fixed deposits/ tax refunds	69.40	414.65
Reimbursement right for gratuity	3,503.74	3,269.42
Reimbursement right for compensated absences	1,273.73	1,246.38
Other assets	155.80	0.08
	<b>5,002.67</b>	<b>4,930.53</b>

## Note 12: Deferred tax assets (net)

	₹ in lakhs	
	31 March 2021	31 March 2020
Deferred tax assets/(liabilities)	476.43	1,430.86
MAT credit entitlement	19.52	11.59
	<b>495.95</b>	<b>1,442.45</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 12: Deferred tax assets (net) (Contd..)

Particulars	₹ in lakhs					
	Provision for expected credit loss	Depreciation on property, plant and equipment	Provision for leave and gratuity	Unabsorbed Depreciation and business losses	Others	Total
<b>As at 1 April 2019</b>	977.96	(768.86)	328.04	981.27	37.43	1,555.84
<b>Credit/ charge:</b>						
Ind AS 116 transition adjustment	-	-	-	-	261.86	261.86
Profit and loss	(32.61)	498.51	(41.35)	82.94	(79.37)	428.12
Other comprehensive income	-	-	(9.55)	-	-	(9.55)
Deferred taxes acquired in business combinations	-	(805.41)	-	-	-	(805.41)
<b>As at 31 March 2020</b>	<b>945.35</b>	<b>(1,075.76)</b>	<b>277.14</b>	<b>1,064.21</b>	<b>219.92</b>	<b>1,430.86</b>
<b>Credit/ charge:</b>						
Profit and loss	(407.35)	(172.91)	30.91	48.29	(104.72)	(605.78)
Other comprehensive income	-	-	(49.76)	-	-	(49.76)
Deferred taxes acquired in business combinations	-	(298.89)	-	-	-	(298.89)
<b>As at 31 March 2021</b>	<b>538.00</b>	<b>(1,547.56)</b>	<b>258.29</b>	<b>1,112.50</b>	<b>115.20</b>	<b>476.43</b>

## Note 13: Income tax assets (net)

	₹ in lakhs	
	31 March 2021	31 March 2020
Advance income tax (net of provision for taxation)	9,998.81	24,432.08
	<b>9,998.81</b>	<b>24,432.08</b>

### Income tax expense/ (credit) in the statement of profit and loss consists of:

	₹ in lakhs	
	31 March 2021	31 March 2020
Current income tax charge	253.75	199.52
Tax provision for earlier years	154.55	64.56
MAT (credit)/ write off (Refer note 1 below)	(7.93)	4,963.91
Deferred tax charge/ credit (net)	605.78	(428.12)
<b>Income tax reported in the statement of profit or loss</b>	<b>1,006.15</b>	<b>4,799.87</b>

### Income tax recognised in other comprehensive income

	₹ in lakhs	
	31 March 2021	31 March 2020
Deferred tax charge	49.76	9.55
<b>Income tax expense charged to OCI</b>	<b>49.76</b>	<b>9.55</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 13: Income tax assets (net) (Contd..)

### Reconciliation of effective tax rate:

	₹ in lakhs	
	31 March 2021	31 March 2020
Profit before share of profit/ (loss) from associate/ joint venture, exceptional item and tax	9,262.20	8,505.96
Tax using the Company's domestic tax rate @ 25.168% (31 March 2020: 25.168%)	2,331.11	2,140.78
<b>Tax effect of:</b>		
Non-deductible tax expense	505.14	176.93
Provisions related to prior years	154.55	64.56
MAT (credit)/ write off	(36.66)	4,957.80
Impact of change in tax laws/ tax rates	714.17	84.95
80JJAA deduction	(2,152.53)	(2,759.75)
DTA reversed on business losses due to permanent disallowance	-	363.98
Others	(509.63)	(229.38)
<b>Income tax expense</b>	<b>1,006.15</b>	<b>4,799.87</b>

### Note 1

The Group (except for subsidiary Evolve Technologies Private Limited) elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from FY 2019-20. Accordingly, the group had written off accumulated MAT credit of ₹ 4,957.80 lakhs in FY 2019-20 and re-measured opening net deferred tax assets.

### Note 2

As per the amendment in the Finance Act, 2016, deduction under Section 80JJAA of the Income tax Act, 1961, was extended across to all the sectors. As per the provisions of Section 80JJAA, an assessee will be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in the previous year for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to fulfilment of the other conditions mentioned in the Section 80JJAA. The Group has started availing such deduction from financial year 2016-17 onwards.

## Note 14: Other non-current assets

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Prepaid expenses	13.41	40.40
Advances, other than capital advances	45.36	-
Balances with statutory/ government authorities	-	29.66
	<b>58.77</b>	<b>70.06</b>
(Credit impaired)		
Balances with statutory/ government authorities	29.66	-
Less: Provision	(29.66)	-
	<b>-</b>	<b>-</b>
	<b>58.77</b>	<b>70.06</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 15: Trade receivables

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Trade receivables from related parties (Refer Note 40)	2,663.79	3,289.96
Trade receivables - others	25,104.82	26,303.66
	<b>27,768.61</b>	<b>29,593.62</b>
<b>(Significant increase in credit risk / Credit impaired)</b>		
Trade receivables - others	1,911.51	3,606.07
Less: Allowance for doubtful debts	(1,911.51)	(3,606.07)
	-	-
	<b>27,768.61</b>	<b>29,593.62</b>

- a) No receivable is due from directors or other officers of the Group 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 40.
- b) Trade receivables are non-interest bearing and with credit period upto 120 days.

## Note 16: Cash and cash equivalents and bank balances

	₹ in lakhs	
	31 March 2021	31 March 2020
Balances with banks:		
- On current accounts	18,879.55	6,393.04
- Deposits with original maturity of less than 3 months	7,032.02	30.79
Cash on hand	0.19	0.24
	<b>25,911.76</b>	<b>6,424.07</b>
<b>Other bank balances</b>		
Deposits with remaining maturity of less than 12 months	2,956.99	3,276.19
Deposits with remaining maturity of more than 12 months	245.06	59.88
	<b>3,202.05</b>	<b>3,336.07</b>
Less: Amounts disclosed under other financial assets (Refer note 11)	(245.06)	(59.88)
	<b>2,956.99</b>	<b>3,276.19</b>
	<b>28,868.75</b>	<b>9,700.26</b>

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Balances with banks		
- On current accounts	18,879.55	6,393.04
- Deposits with remaining maturity of less than 3 months	7,032.02	30.79
- Cash on hand	0.19	0.24
	<b>25,911.76</b>	<b>6,424.07</b>
Less: Bank overdraft (Refer note 22)	(1.38)	(5,179.40)
	<b>25,910.38</b>	<b>1,244.67</b>

Fixed deposits of ₹ 2,787.11 lakhs as at 31 March 2021 (31 March 2020: ₹ 2,681.05 lakhs) is under lien with various banks for loans taken/ guarantees issued to third parties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 17: Other current assets

	₹ in lakhs	
	31 March 2021	31 March 2020
(Unsecured, Considered good)		
Prepaid expenses	977.20	1,000.61
Advances to suppliers/ others	860.21	660.55
Loans and advances to employees	71.87	111.00
Other assets	59.24	129.19
	<b>1,968.52</b>	<b>1,901.35</b>
(Credit impaired)		
Other advances	307.80	234.20
Less: Provision	(307.80)	(234.20)
	-	-
	<b>1,968.52</b>	<b>1,901.35</b>

## Note 18: Equity share capital

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Equity share capital</b>		
<b>(i) Authorised equity share capital</b>		
23,300,000 (31 March 2020: 23,300,000) equity shares of ₹ 10 each.	2,330.00	2,330.00
<b>(ii) Authorised 12% Cumulative Convertible Redeemable Preference Shares (CCPS)</b>		
170,000 (31 March 2020: 170,000) CCPS of ₹ 100 each	170.00	170.00
<b>(iii) Issued, subscribed and fully paid-up shares</b>		
17,096,769 (31 March 2020: 17,096,769) equity shares of ₹ 10 each.	1,709.68	1,709.68
<b>Total issued, subscribed and fully paid-up shares</b>	<b>1,709.68</b>	<b>1,709.68</b>

### (iv) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹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 Group 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:

	₹ in lakhs			
Name of the shareholders	31 March 2021		31 March 2020	
	Numbers	% holding	Numbers	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
HR Offshoring Ventures Pte Limited	43,15,328	25.24	44,00,812	25.74
NED Consultants LLP	13,67,965	8.00	14,53,449	8.50

(vi) There are no shares reserved for issue under options, except held by TeamLease Employee Stock Option Plan Trust. Also refer note 35.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 19A: Other equity

	₹ in lakhs	
	31 March 2021	31 March 2020
Owners of the parent company		
Securities premium	24,655.01	23,972.72
Retained earnings	38,649.98	30,721.13
Stock option outstanding reserve	187.90	805.30
	<b>63,492.89</b>	<b>55,499.15</b>

### 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) Stock option outstanding reserve

This reserve relates to stock options granted by the Company to employees under TeamLease Employee Stock Option Plan.

## Note 19B: Non-controlling interest

	₹ in lakhs	
	31 March 2021	31 March 2020
Non-controlling interest *	400.32	-
	<b>400.32</b>	<b>-</b>

\* Includes ₹ 302.16 lakhs arising on account of acquisition of TLEL during the year.

## Note 20: Net employee defined benefit liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Non-current</b>		
Employee benefits - Gratuity (Refer note 34)	7,825.62	6,296.49
Employee benefits - Compensated absences	999.70	977.57
	<b>8,825.32</b>	<b>7,274.06</b>
<b>Current</b>		
Employee benefits - Gratuity (Refer note 34)	3,701.63	3,435.45
Employee benefits - Compensated absences	1,456.84	1,419.15
	<b>5,158.47</b>	<b>4,854.60</b>

## Note 21: Other non-current liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
Disputed tax liabilities (Refer Note 41)	421.90	421.90
	<b>421.90</b>	<b>421.90</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 22: Borrowings

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
<b>Secured</b>		
Bank overdraft*	1.38	5,179.40
Term loan**	-	2,000.00
Bill discounting facilities***	-	444.02
	<b>1.38</b>	<b>7,623.42</b>

\* Overdraft facilities of ₹ 1.38 lakhs (31 March 2020: ₹ 5,179.40 lakhs) are secured by lien on fixed deposits, current assets and bank/ corporate guarantees given by the Company and its subsidiaries. The overdraft facilities from bank carries interest ranging between 6.70% to 8.48% (31 March 2020: 7.01% to 9.50%) per annum and payable on demand.

\*\* The term loan from a bank is repaid in full in the current year. The loan was secured by lien on trade receivables and carried interest @ 8.55% per annum.

\*\*\* Bill discounting of ₹ Nil (31 March 2020: ₹ 444.02 lakhs) was secured by Corporate guarantee given jointly by the Company and TDPL.

## Note 23: Trade payables

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	517.63	546.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,360.45	3,236.09
	<b>2,878.08</b>	<b>3,782.33</b>

Refer note 40 for details of trade payables to related parties.

## Note 24: Lease Liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Lease Liabilities	1,448.31	3,222.45
	<b>1,448.31</b>	<b>3,222.45</b>
<b>Current</b>		
Lease Liabilities	835.20	1,521.52
	<b>835.20</b>	<b>1,521.52</b>

The following is the movement in lease liabilities

	₹ in lakhs	
Particulars	31 March 2021	31 March 2020
Balances as at beginning of the year	4,743.97	-
Additions on account of adoption of Ind AS 116	-	4,206.59
Add: Additions during the year	264.89	2,151.70
Less: Deletions during the year	(1,384.64)	(343.42)
Add: Finance cost incurred during the year	311.09	461.10
Less: Payments of lease liabilities (including interest)	(1,651.80)	(1,732.00)
<b>Balance as at year end</b>	<b>2,283.51</b>	<b>4,743.97</b>

The weighted average discount rate used for recognition of lease liabilities is 9% p.a. (31 March 2020: 9% p.a.)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 25: Other financial liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Current</b>		
Employees benefits payable	23,315.06	17,395.37
Other liabilities	471.83	1,543.20
Creditors for capital goods	17.31	119.24
Security deposits	188.41	202.42
Book overdraft	-	318.21
	<b>23,992.61</b>	<b>19,578.44</b>

## Note 26: Other current liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
Statutory dues payable	13,983.52	13,676.75
Advance from customers	3,877.84	2,478.01
Unearned revenue	116.82	317.11
Other liabilities	3,864.56	3,549.84
	<b>21,842.74</b>	<b>20,021.71</b>

## Note 27: Revenue from operations

	₹ in lakhs	
	31 March 2021	31 March 2020
Sale of services		
- General staffing	4,40,977.75	4,65,153.32
- Specialized staffing	39,827.34	40,977.89
Recruitment services		
- Permanent recruitment	350.53	2,894.41
- Temporary recruitment	102.75	272.94
Skills and development etc.	1,463.95	5,527.56
Income from regulatory services	2,011.36	1,796.81
Income from specialized academic services	1,091.52	-
Income from job portal	641.17	746.88
Payroll income	1,679.30	2,702.45
<b>Total revenue</b>	<b>4,88,145.67</b>	<b>5,20,072.26</b>

### Other disclosures

#### Disaggregated revenue information

The disaggregation of Group'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 39.

	₹ in lakhs	
<b>Contract balances</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Contract assets - Trade receivables	27,768.61	29,593.62
Contract assets - Unbilled revenue	12,963.76	9,793.02
Contract liabilities - Advance from customers	3,877.84	2,478.01
Contract liabilities - Unearned revenue	116.82	317.11

Trade receivables are non-interest bearing and are generally on credit terms of upto 120 days.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 27: Revenue from operations (Contd..)

Set out below is the amount of revenue recognised from:

	₹ in lakhs	
	31 March 2021	31 March 2020
Amounts included in contract liabilities at the beginning of the year	2,264.46	2,559.82

## Note 28: Other income

	₹ in lakhs	
	31 March 2021	31 March 2020
Interest income on:		
Loans to related parties (Refer note 40)	400.91	493.58
Deposits with banks	212.86	333.60
Income tax refunds	908.89	391.49
Others	29.21	28.97
Rental income	3.25	45.23
Liabilities/ provisions no longer required written back	1,573.58	1,676.31
Net gain on sale of current investments	72.51	70.82
Net fair value gains on current investments	8.47	-
Miscellaneous income	71.14	44.28
Fair value gains on investment in associate (TLEL)	191.04	-
<b>Total other income</b>	<b>3,471.86</b>	<b>3,084.28</b>

## Note 29: Employee benefits expense

	₹ in lakhs	
	31 March 2021	31 March 2020
Salaries, wages and bonus	4,31,755.37	4,53,688.65
Stock option compensation expense (net)	96.75	264.88
Gratuity expense (Refer Note 34)	293.31	224.73
Compensated absences	216.66	265.97
Contribution to provident fund and other funds	32,834.28	35,887.35
Staff welfare expenses	3,501.64	3,316.16
<b>Total employee benefits expense</b>	<b>4,68,698.01</b>	<b>4,93,647.74</b>

## Note 30: Finance Cost

	₹ in lakhs	
	31 March 2021	31 March 2020
Interest on bank overdraft	227.73	546.20
Interest on short term borrowings	67.92	122.27
Interest on lease obligation	311.09	461.10
Interest on financial liability/ others	83.09	99.32
	<b>689.83</b>	<b>1,228.89</b>

## Note 31: Depreciation and amortisation expense

	₹ in lakhs	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	502.83	383.67
Amortization of other intangible assets	1,626.48	1,159.63
Depreciation of right-of-use assets	1,241.19	1,315.62
	<b>3,370.50</b>	<b>2,858.92</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 32: Other expenses

	₹ in lakhs	
	31 March 2021	31 March 2020
Training expenses (skill development etc.)	916.43	3,916.96
Rent	1,266.91	1,560.75
Rates and taxes	309.14	140.41
Electricity	252.13	367.75
Traveling and conveyance	530.90	1,879.38
Repairs and maintenance:		
- Leasehold premises	109.33	14.28
- Others	1,066.52	1,284.39
Printing and stationery	377.68	478.60
Legal and professional charges	1,530.95	2,302.35
Insurance	66.86	52.55
Sundry balances written off	24.07	27.85
Bad debts written off	3,372.45	1,137.12
Less: Provision for expected credit loss utilised	(2,611.38)	(224.20)
Provision for expected credit loss	615.62	895.92
GST and service tax written off	-	604.21
Loss on disposal of property, plant and equipment (net)	0.25	7.58
Provision for doubtful advances	142.69	251.81
Corporate Social Responsibility expenditure (Refer note 44)	175.32	144.61
Foreign exchange loss (net)	26.40	5.75
Miscellaneous expenses	1,424.72	2,066.96
	<b>9,596.99</b>	<b>16,915.03</b>

## Note 33: Earnings per share

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

	31 March 2021	31 March 2020
Profit attributable to equity shareholders (₹ in lakhs)	7,750.11	3,497.53
Nominal value of each equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	1,70,96,769	1,70,96,769
EPS - basic and diluted (₹)	45.33	20.46

## Note 34: Employee benefit obligation

### (a) Provident fund

Provident Fund for eligible employees of TeamLease Services Limited is managed through "TeamLease Employees Provident Fund Trust ("Trust") and for other group companies is managed through recognised Employees Provident Fund Organisation ("EPFO"), in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

₹ in lakhs

Particulars	31 March 2021	31 March 2020
Accumulated surplus as per Employees Provident Fund Trust	2,543.67	3,824.33
Provident fund obligations	(1,515.42)	(1,389.41)
<b>Principal assumptions are as follows:</b>		
Discount rate (per annum)	5.58%	6.32%
Average historic yield on the investment portfolio	8.37%	6.33%
Appropriate term (in years)	4	4
Remaining term to maturity of provident fund portfolio (in years)	5.71	6.32
Mortality	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

The Trust has made investments of ₹ 17,373.78 lakhs (31 March 2020: ₹ 17,373.78 lakhs) in certain NBFC companies which have defaulted in interest / debt repayments and full value of such investments may not be eventually realised in future years. The impact of any possible shortfall on account of this is presently not ascertainable and not provided for. Also refer Note 45.

Disclosures included are limited to the extent of disclosures provided by the actuary.

The expense recognised during the year towards provident fund is ₹ 26,201.39 lakhs (31 March 2020 ₹ 27,698.06 lakhs), including for employees covered under defined contribution plan.

### (b) Gratuity (Associate)

The Group 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)

₹ in lakhs

	31 March 2021	31 March 2020
Present value of unfunded obligation	10,916.40	9,081.30
Fair value of plan assets	-	-
<b>Net liability</b>	<b>10,916.40</b>	<b>9,081.30</b>
Current	3,503.74	3,269.42
Non-current	7,412.66	5,811.88

### Net benefit cost (Refer note below)

₹ in lakhs

	31 March 2021	31 March 2020
Current service cost	6,053.78	4,950.83
Net actuarial (gain)/ loss recognised in the year	(2,595.40)	(1,352.78)
Interest cost on defined benefit obligation	419.91	394.50
<b>Net benefit expense</b>	<b>3,878.29</b>	<b>3,992.55</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Defined benefit obligation at beginning of the year	9,081.30	6,758.22
Current service cost	6,053.78	4,950.83
Interest cost on defined benefit obligation	419.91	394.50
Benefits paid	(2,043.19)	(1,669.47)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	96.92	(45.09)
Actuarial (gain) / loss arising from changes in financial assumptions	96.04	245.78
Actuarial (gain) / loss arising from changes in experience adjustments	(2,788.36)	(1,553.47)
<b>Defined benefit obligation at end of the year</b>	<b>10,916.40</b>	<b>9,081.30</b>

The principal assumptions used in determining gratuity obligations are shown below:

	31 March 2021	31 March 2020
Discount rate	4.25%	5.21%
Salary escalation rate	6.50%	6.50%
Attrition rate	45.00%	47.00%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

Note: The estimates of future salary increases, 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 are as shown below:

Particulars	₹ in lakhs			
	31 March 2021		31 March 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	10,695.70	11,147.40	8,901.10	9,269.85
Salary escalation rate	11,088.30	10,748.85	9,222.54	8,943.68
Attrition rate	10,803.84	11,032.21	8,990.65	9,174.81

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Year 1	2,629.62	2,136.96
Year 2	1,877.71	1,572.94
Year 3	1,341.52	1,128.88
Year 4	851.81	775.79
Year 5	477.46	435.12
Next 5 years	573.24	522.63

The weighted average duration of defined benefit obligation at the end of the reporting period is 2 years (31 March 2020: 2 years)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

### (c) Gratuity (Core employees)

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

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)

	₹ in lakhs	
	31 March 2021	31 March 2020
Present value of funded obligation	623.52	653.94
Fair value of plan assets	(12.67)	(3.30)
<b>Net liability</b>	<b>610.85</b>	<b>650.64</b>
Current	197.89	166.03
Non-current	412.96	484.61

#### Net benefit cost recognised in statement of profit and loss

	₹ in lakhs	
	31 March 2021	31 March 2020
Current service cost	258.86	191.27
Current service cost based on actual liability	-	0.16
Past service cost	-	(0.15)
Interest cost on defined benefit obligation	34.45	33.45
<b>Net benefit expense</b>	<b>293.31</b>	<b>224.73</b>

#### Remeasurement loss/(gains) in other comprehensive income

	₹ in lakhs	
Particulars	31 March 2021	31 March 2020
Due to change in demographic assumptions	(20.65)	(25.64)
Due to change in financial assumptions	9.44	5.82
Due to change in experience adjustments	(186.22)	(18.68)
Return on plan assets (excluding interest income)	(0.01)	(0.01)
<b>Actuarial loss recognised in OCI</b>	<b>(197.44)</b>	<b>(38.51)</b>

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

	₹ in lakhs	
Particulars	31 March 2021	31 March 2020
Defined benefit obligation at beginning of the year	653.94	505.61
Added on acquisitions	39.57	57.29
Current service cost	258.86	191.27
Past service cost	-	(0.15)
Interest cost on defined benefit obligation	34.45	33.45
Benefits paid	(165.87)	(95.03)
Re-measurements		
Actuarial (gain) / loss arising from changes in demographic assumptions	(20.65)	(25.64)
Actuarial (gain) / loss arising from changes in financial assumptions	9.44	5.82
Actuarial (gain) / loss arising from changes in experience adjustments	(186.22)	(18.68)
<b>Defined benefit obligation at end of the year</b>	<b>623.52</b>	<b>653.94</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 34: Employee benefit obligation (Contd..)

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Fair value of plan assets at beginning of the year	3.30	3.07
Addition on acquisitions	8.88	-
Expected return on plan asset	0.49	0.22
Employer contributions	4.64	11.88
Mortality Charges and Taxes	(0.22)	-
Benefits payment	(4.43)	(11.88)
Remeasurement - actuarial gain/ (loss)	0.01	0.01
<b>Fair value of plan assets at end of the year</b>	<b>12.67</b>	<b>3.30</b>

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

	31 March 2021	31 March 2020
Discount rate	3.86% - 6.9%	5.21% - 7.70%
Salary escalation rate	0% - 11%	5% - 8%
Attrition rate	1% - 53%	1% - 53%
Retirement age	60	60
Mortality tables	Indian Assured Lives Mortality (2006-08) / (2012-14) Ult Table	Indian Assured Lives Mortality (2006-08) / (2012-14) Ult Table

Note: The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, parameter 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 are as shown below:

Particulars	₹ in lakhs			
	31 March 2021		31 March 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	602.35	642.34	634.08	675.42
Salary escalation rate	637.95	606.40	664.93	631.47
Attrition rate	614.37	628.95	647.62	660.45

The sensitivity analyses above have been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions used at the end of the reporting period.

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

	₹ in lakhs	
	31 March 2021	31 March 2020
Year 1	124.89	129.86
Year 2	97.35	106.39
Year 3	85.44	88.02
Year 4	68.00	74.25
Year 5	50.13	50.65
Next 5 years	131.29	100.44

The weighted average duration of defined benefit obligation at the end of the reporting period is around 2.23 years (31 March 2020: 3.27 years).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 35: Share based payments

### A. Employee Share Option Plan (ESOP)

Teamlease Services Limited has granted stock options to employees of the Company. The purpose of the 'Teamlease Services Limited ESOP Plan' 2015 is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and to promote the success of the business. The options issued under the plan has a term of 3-4 years as provided in the stock grant agreement and vest based on the terms of individual grants. When exercisable, each option is convertible into one equity share. The exercise price of option is ₹ 10. The stock options are restricted for sale, pledge or transfer.

#### Details of TeamLease Employee Stock Option Plan issued by the Trust

Name of the Scheme - TeamLease Employee Stock Option Plan - 2015	Tranche - I	Tranche - II*	Tranche - III**
Date of grant	1 October 2015	1 October 2016	1 July 2019
Number Granted	97,170 (post issue of bonus shares)	29,470	18,155
Exercise price (₹)	₹ 10	₹ 10	₹ 10
Vesting period	4 years	2-4 years	1-3 years
Vesting conditions	25% on expiry of 12 months from grant date 25% on expiry of 24 months from grant date 25% on expiry of 36 months from grant date 25% on expiry of 48 months from grant date	44% on expiry of 12 months from grant date 48% on expiry of 24 months from grant date 5% on expiry of 36 months from grant date 3% on expiry of 48 months from grant date	34% on expiry of 12 months from grant date 33% on expiry of 21 months from grant date 33% on expiry of 33 months from grant date

\* During the financial year ended 31 March 2017, Tranche II scheme was approved by Board of Directors and Nomination and Remuneration Committee and approved by the shareholders in the Annual General Meeting held on 7 July 2017.

\*\* During the financial year ended 31 March 2020, Tranche III scheme was approved by Board of Directors and Nomination and Remuneration Committee.

#### Movement in the options granted to employees

Particulars	Number of Options		Weighted average Exercise price (₹)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Outstanding at beginning of the year	18,155	12,724	10.00	10.00
Granted	-	18,155	10.00	10.00
Forfeited	4,832	-	10.00	10.00
Expired	-	-	10.00	10.00
Exercised	6,055	12,724	10.00	10.00
Outstanding at end of the year	7,268	18,155	10.00	10.00
Exercisable at end of the year	3,634	-	10.00	10.00

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 35: Share based payments (Contd..)

### Fair value of options granted

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

Variables	31 March 2021	31 March 2020
Grant date share option price (₹)	No Options have been granted during the year	3,016.20
Exercise price (₹)		10.00
Expected life of the option (gross)		1-3 years
Risk free interest rates		6.19% - 6.57%
Expected volatility		29.45% - 58.21%
Expected dividend yield (%)		-

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 1 year (31 March 2020: 1.08 years).

The weighted average exercise price of the outstanding option is ₹ 10 (31 March 2020: ₹ 10).

Stock option compensation expense is ₹ 96.75 lakhs (31 March 2020: ₹ 264.88 lakhs) for the year.

## B. Employee Stock Option Scheme - 2016 (ESOS)

TeamLease Edtech Limited ('TLEL') has instituted Employee Stock Option Scheme-2016 (ESOS) duly approved by the shareholders in the extra-ordinary general meeting of TLEL held on 25 August 2016. As per the scheme, the Board of TLEL evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfilment of certain conditions.

### Details of Employee Stock Option Scheme

Name of the Scheme - Employee Stock Option Scheme - 2016	Tranche - I	Tranche - II	Tranche - III	Tranche - IV
Date of grant	2 September 2016	4 September 2016	1 December 2016	4 September 2017
Number Granted	29,560	4,105	860	1,172
Exercise price (₹)	₹ 282	₹ 282	₹ 282	₹ 282
Vesting period	3 Years	2 Years	3 Years	2 Years
Vesting conditions	30% on expiry of 12 months from grant date 35% on expiry of 24 months from grant date 35% on expiry of 36 months from grant date	50% on expiry of 12 months from grant date 50% on expiry of 24 months from grant date	30% on expiry of 12 months from grant date 35% on expiry of 24 months from grant date 35% on expiry of 36 months from grant date	50% on expiry of 12 months from grant date 50% on expiry of 24 months from grant date

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 35: Share based payments (Contd..)

### Movement in the options granted to employees (ESOS)

Particulars	Number of Options	Weighted average Exercise price (₹)
	31 March 2021	31 March 2021
Number of options outstanding	14,291	282.00
Granted	-	282.00
Forfeited	6,459	282.00
Expired	-	282.00
Exercised	-	282.00
Outstanding at end of the year	7,832	282.00
Exercisable at end of the year	7,832	282.00

No options have been granted during the year.

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 is 1 year.

The weighted average exercise price of the outstanding options is ₹ 10.

## Note 36: Fair value measurements

### Financial assets measured at fair value through profit/ loss:

₹ in lakhs

Particulars	31 March 2021	31 March 2020
<b>Financial Assets</b>		
Investment in mutual funds (Quoted price in active markets Level 1)	6,093.78	-

There are no transfers between levels during the year.

Management has assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, investments, loans, trade receivables, 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 37: Financial risk management objectives and policies

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

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

### Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group's audit committee oversees how management monitors compliance with the Group's risk management policies

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 37: Financial risk management objectives and policies (Contd..)

and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee 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 Audit Committee.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable, trade payable and borrowings.

#### (i) Foreign Currency Risk

Foreign currency risks is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group 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 Group's financial instruments will fluctuate because of changes in market interest rates. The Group 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 Group 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 Group has framed the policies to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group follows 'simplified approach' for recognition of provision for ECL on trade receivables. The application of simplified approach does not require the group 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	₹ in lakhs	
	31 March 2021	31 March 2020
Opening balance	3,606.07	2,848.23
Added on acquisitions	301.20	86.12
Amount provided during the year	615.62	895.92
Amount adjusted for bad debts	(2,611.38)	(224.20)
Closing provision	1,911.51	3,606.07

#### Financial instruments

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

Counterparty credit limits are reviewed by the Group 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 37: Financial risk management objectives and policies (Contd..)

Liquidity risk is the risk that the Group 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 Group's reputation. The Group monitors its risk of a shortage of funds on a regular basis. The Group'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 Group's financial liabilities is as below:

		₹ in lakhs	
Maturity period		31 March 2021	31 March 2020
<b>Financial liabilities - Current</b>			
Borrowings	Within 1 year	1.38	7,623.42
Trade payables	Within 1 year	2,878.08	3,782.33
Lease liabilities	Within 1 year	835.20	1,521.52
Other financial liabilities	Within 1 year	23,992.61	19,578.44
		<b>27,707.27</b>	<b>32,505.71</b>
<b>Financial liabilities - Non current</b>			
Lease liabilities	1 - 5 years	1,412.01	3,099.34
Lease liabilities	Above 5 years	36.30	123.11
		<b>1,448.31</b>	<b>3,222.45</b>

## Note 38: Capital management

The key objective of the Group'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 Group is focused on keeping strong capital base to ensure independence and sustained growth in business.

The Group is predominantly equity financed. To maintain and adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The group has very minimal amount of borrowings. The existing surplus funds along with the cash generated by the Group, are sufficient to meet its current/non-current obligation and working capital requirement.

## Note 39: Segment information

### Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segment. The CODM evaluates the Group's performance and allocate resources based on analysis of various performance indicators of the Group. Accordingly, segment information has been presented for the nature of services rendered by the Group.

### Segment Policies:

- a) The reportable business segments are in line with the segment wise information which is being presented to the CODM and for which discrete financial information is available.
- b) The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably and accordingly such items are separately disclosed as 'unallocated'.

### (i) Reportable segments:



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 39: Segment information (Contd..)

Reportable operating segments of the Group are as follows:

- (a) **General Staffing and Allied Services** - Comprises of Staffing Operations, Temporary Recruitment and Payroll & NETAP.
- (b) **Specialised Staffing Services** - Comprises of IT Staffing Operations and Telecom Staffing Operations.
- (c) **Other HR Services** - Comprises of Permanent Recruitment, Regulatory Compliance, Training Operations, Job Portal and Specialized Academic Services.

### (ii) Segment results:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the CODM.

Particulars	General Staffing and Allied Services				Specialised Staffing Services				Other HR Services				Unallocated				Total					
	31 March 2021		31 March 2020		31 March 2021		31 March 2020		31 March 2021		31 March 2020		31 March 2021		31 March 2020		31 March 2021		31 March 2020			
	₹ in lakhs																					
Revenue:																						
External revenue	4,42,759.80	4,68,128.71	39,827.34	40,977.89	5,558.53	10,965.66	-	-	-	-	-	-	-	-	-	-	-	-	-	4,88,145.67	5,20,072.26	
<b>Total segment revenue</b>	<b>4,42,759.80</b>	<b>4,68,128.71</b>	<b>39,827.34</b>	<b>40,977.89</b>	<b>5,558.53</b>	<b>10,965.66</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>4,88,145.67</b>	<b>5,20,072.26</b>	
Segment results	8,367.89	8,779.03	3,672.15	2,725.21	(1,417.56)	(1,004.70)	(779.03)	(973.25)	(300.00)	(300.00)	(689.83)	(1,228.89)	(1,228.89)	(1,228.89)	(1,228.89)	(1,228.89)	(1,228.89)	(1,228.89)	(1,228.89)	9,843.45	9,526.29	
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(300.00)	-	
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(689.83)	(1,228.89)	
<b>Profit before Tax</b>	<b>8,367.89</b>	<b>8,779.03</b>	<b>3,672.15</b>	<b>2,725.21</b>	<b>(1,417.56)</b>	<b>(1,004.70)</b>	<b>(1,768.86)</b>	<b>(2,202.14)</b>	<b>(1,006.15)</b>	<b>(1,006.15)</b>	<b>(1,006.15)</b>	<b>(1,768.86)</b>	<b>(2,202.14)</b>	<b>(2,202.14)</b>	<b>(2,202.14)</b>	<b>(2,202.14)</b>	<b>(2,202.14)</b>	<b>(2,202.14)</b>	<b>(2,202.14)</b>	<b>8,853.62</b>	<b>8,297.40</b>	
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,006.15	4,799.87
<b>Profit after Tax</b>	<b>8,367.89</b>	<b>8,779.03</b>	<b>3,672.15</b>	<b>2,725.21</b>	<b>(1,417.56)</b>	<b>(1,004.70)</b>	<b>(2,775.01)</b>	<b>(7,002.01)</b>	<b>(1,006.15)</b>	<b>(1,004.70)</b>	<b>(1,004.70)</b>	<b>(2,775.01)</b>	<b>(7,002.01)</b>	<b>(7,002.01)</b>	<b>(7,002.01)</b>	<b>(7,002.01)</b>	<b>(7,002.01)</b>	<b>(7,002.01)</b>	<b>(7,002.01)</b>	<b>7,847.47</b>	<b>3,497.53</b>	
<b>Other information</b>																						
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,028.06	1,574.75
Depreciation and amortization	333.33	260.20	526.44	530.29	275.66	155.50	2,235.07	1,912.93	1,642.04	2,957.58	1,642.04	2,957.58	1,642.04	2,957.58	1,642.04	2,957.58	1,642.04	2,957.58	1,642.04	3,370.50	2,858.92	
Non Cash Expenditure other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,642.04	2,957.58

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 39: Segment information (Contd..)

### Other Information

₹ in lakhs

Particulars	31 March 2021		31 March 2020	
	Assets	Liabilities	Assets	Liabilities
General staffing and allied services	60,597.67	47,503.15	45,858.72	41,851.67
Specialised staffing services	31,789.42	4,500.63	33,491.92	6,999.40
Other HR services	11,007.15	4,967.60	10,602.69	4,184.82
Unallocated	27,685.05	8,505.02	35,572.18	15,280.79
<b>Total</b>	<b>1,31,079.29</b>	<b>65,476.40</b>	<b>1,25,525.51</b>	<b>68,316.68</b>

### Reconciliation to amounts reflected in the financial statements

#### Reconciliation of assets

₹ in lakhs

Particulars	31 March 2021	31 March 2020
<b>Segment assets</b>	1,03,394.24	89,953.33
Investments	6,916.65	2,531.31
Loans	431.12	6,075.19
Deferred tax assets (net)	(42.86)	575.72
Income tax assets (net)	6,654.93	18,745.51
Cash and cash equivalents	7,263.02	137.60
Bank balances other than cash and cash equivalents	2,506.20	2,990.02
Others	3,438.04	4,295.10
Assets classified as held for sale	517.95	221.73
<b>Total assets</b>	<b>1,31,079.29</b>	<b>1,25,525.51</b>

#### Reconciliation of liabilities

₹ in lakhs

Particulars	31 March 2021	31 March 2020
<b>Segment liabilities</b>	56,971.38	53,035.89
Net employee defined benefit liabilities	119.27	130.78
Borrowings	1.38	6,486.76
Trade payables	127.41	225.90
Other financial liabilities	524.42	1,177.64
Other current liabilities	7,660.15	7,243.46
Liabilities directly associated with the assets classified as held for sale	72.39	16.25
<b>Total liabilities</b>	<b>65,476.40</b>	<b>68,316.68</b>

#### Revenue from external customers

₹ in lakhs

Geographical Segment	31 March 2021	31 March 2020
India	4,86,417.76	5,19,200.16
Outside India	1,727.91	872.10
<b>Total</b>	<b>4,88,145.67</b>	<b>5,20,072.26</b>

The revenue information above is based on the locations of the customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 39: Segment information (Contd..)

### Non-current assets:

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
India	37,054.81	52,109.48
Outside India	-	-
<b>Total</b>	<b>37,054.81</b>	<b>52,109.48</b>

Non-current assets excludes financial instruments and deferred tax assets.

## Note 40: Related party disclosures

### (i) List of related parties and relationships:

Description of relationship	Names of the related parties
<b>a) Associate</b>	TeamLease Edtech Limited ('TLEL') (formerly known as School Guru Eduserve Private Limited) (subsidiary w.e.f. 9 September 2020)
<b>b) Jointly Controlled</b>	Avantis Regtech Private Limited ('ARPL')
<b>c) Key management personnel and their relatives</b>	Mr. Manish Mahendra Sabharwal - Executive chairman Mr. Ashok Reddy - Managing Director and Chief Executive officer Mr. Ravi Vishwanath - Chief Financial Officer (resigned w.e.f. 23 March 2021) Ms. Ramani Dathi - Deputy Chief Financial Officer (appointed w.e.f. 24 March 2021) Ms. Alaka Chanda - Company Secretary Mrs. Asha Vishwanath - relative of Mr. Ravi Vishwanath (till 23 March 2021) Mrs. Latika Pradhan - Independent Director Mr. Narayan Ramachandran - Independent Director Dr. V. Raghunathan - Independent Director Mr. Zarir Batliwala - Independent Director Mr. Mekin Maheshwari - Independent Director (Additional) (appointed w.e.f 9 June 2021)
<b>d) Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)</b>	TeamLease Skills University ('TLSU')

### (ii) Transactions with related parties

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Loans given to</b>		
Enterprises under significant influence		
TLSU	500.00	4,400.00
Joint venture		
ARPL	1.11	300
<b>Loans repaid by</b>		
Enterprises under significant influence		
TLSU	5,775.00	4,705.00
Joint venture		
ARPL	-	1.11

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Interest income from</b>		
Enterprises under significant influence		
TLSU	400.86	486.70
Joint venture		
ARPL	0.05	6.88
<b>Revenue from operations / other income</b>		
Enterprises under significant influence		
TLSU	2,096.59	2,796.07
Associate		
TLEL	3.39	-
Joint venture		
ARPL	-	12.17
<b>Expenses incurred by the Company on behalf of others - Cross charged</b>		
Enterprises under significant influence		
TLSU	14.86	3.10
Associate		
TLEL	0.71	1.25
Joint Venture		
ARPL	45.97	37.76
<b>Consultancy/services charges paid</b>		
Enterprises under significant influence		
TLSU	220.30	283.73
Associate		
TLEL	0.06	0.42
Joint Venture		
ARPL	154.26	116.37
Key management personnel and their relatives:		
Asha Vishwanath	6.00	6.00
<b>Bad debts written off</b>		
Enterprises under significant influence		
TLSU	27.05	-
<b>Intangible assets under development</b>		
Joint Venture		
ARPL	10.00	-
<b>Loans converted into investments</b>		
Joint Venture		
ARPL		
Equity shares	100.00	-
Compulsorily Convertible Cumulative Preference Shares (CCCPS)	-	200.00
<b>Investment in equity shares</b>		
Joint venture		
ARPL	345.19	-
<b>Guarantee given on behalf of</b>		
Enterprises under significant influence		
TLSU	2,000.00	2,000.00

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 40: Related party disclosures (Contd..)

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Managerial remuneration (Refer Note below)</b>		
Key managerial personnel and their relatives:		
Ashok Reddy	54.70	110.44
Manish Mahendra Sabharwal	41.50	84.04
Ravi Vishwanath	87.79	229.21
Ramani Dathi	1.87	-
Alaka Chanda	23.49	21.64
	<b>209.35</b>	<b>445.33</b>

### Note:

- As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the group as a whole, the amount pertaining to key management personnel are not included.
- The above includes reversal of ₹ 32.02 Lakhs (net) (31 March 2020: charge of ₹ 105.49 Lakhs) for share based compensation.

### (iii) Outstanding balances as at year ended

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Loans and advances receivable</b>		
Enterprises under significant influence		
TLSU	-	5,275.00
Joint Venture		
ARPL	-	98.89
<b>Trade/other receivables</b>		
Enterprises under significant influence		
TLSU	3,011.53	3,928.89
Associate		
TLEL	-	0.22
Joint Venture		
ARPL	33.43	36.96
<b>Trade payables</b>		
Enterprises under significant influence		
TLSU	76.82	48.48
Joint Venture		
ARPL	5.41	11.71
<b>Investments in equity shares</b>		
Associate		
TLEL	-	622.53
Joint Venture		
ARPL	445.18	0.01
<b>Investments in preference shares</b>		
Associate		
TLEL	-	1,350.00
Joint Venture		
ARPL	459.74	558.77
<b>Guarantee given on behalf of</b>		
Enterprises under significant influence		
TLSU (Refer Note 41)	4,000.00	2,000.00

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 41: Contingent liabilities

	₹ in lakhs	
	31 March 2021	31 March 2020
(a) Service tax matters in dispute*	463.03	463.03
(b) Income tax matters in dispute	244.21	214.56
(c) Disputed bonus liability**	3,349.33	3,349.33
(d) Other disputed matters	-	34.16
(f) Claims not acknowledged as debts (under dispute)***	-	595.56
(g) Corporate guarantee given for credit facility taken by TLSU	4,000.00	2,000.00

\* In addition to aforesaid service tax matters in dispute, there is a case pending with CESTAT for service tax demands pertaining to the period April 2006 to December 2008 aggregating to ₹ 887.81 lakhs (including penalty etc.) against which the Company has already settled ₹ 442.46 lakhs and balance is partly provided for as a matter of abundant caution (Refer note 21).

\*\* Bonus liability pursuant to the amendment of Payment of Bonus Act, 1965, for financial year 2014-15 is considered as contingent liability, based on expert legal opinion obtained by the Company and stay orders from various High Courts across the country. As per the contractual agreement with the customers, ₹ 3,332.97 lakhs in respect of associate employees is recoverable from the customers in case such liability arises.

\*\*\* Represents claim preferred by the erstwhile promoters of ASAP Info Systems Private Limited ("ASAP"), towards final consideration payable upon fulfilment of certain agreed criteria as per the share purchase agreement. On 25 October 2019, the Arbitration Tribunal had passed an order, which was subsequently revised on 16 December 2019, basis which TDPL, a subsidiary of the Company, was required to pay the amount to the erstwhile promoter's of ASAP along with interest and legal costs. On 6 October 2020, TDPL and erstwhile promoters of ASAP entered into a Compromise Memo, whereby they filed an application with the Arbitration Tribunal to set aside the abovementioned Order and TDPL has paid ₹ 300 lakhs as full and final settlement towards the claim, shown as exceptional item in the statement of profit and loss.

## Note 42: Commitments

	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	78.01	2.65

## Note 43: Leases

### Group as a lessor

The Group has given one of its offices in Kolkata on operating lease. The lease agreement includes a upward revision to lease rental on three year basis based on prevailing market conditions and the Lease agreement was supposed to expire on 9 September 2027. However, the Company has pre-terminated the Lease agreement on 31 May 2020.

	₹ in lakhs	
	31 March 2021	31 March 2020
Within one year	-	39.00
After one year but not more than five years	-	232.15
More than 5 years	-	74.36

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 44: Corporate Social Responsibility Expenditure

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Group 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.

	₹ in lakhs	
	31 March 2021	31 March 2020
Gross amount required to be spent by the Group during the year	175.32	144.61
Amount spent on purposes other than construction/ acquisition of any asset	253.86*	66.07
<b>Balance</b>	<b>-</b>	<b>78.54</b>

\* Includes ₹ 78.54 lakhs for previous year.

## Note 45: Risk Exposure of Certain PF Trust Investments

The Company has its own Provident Fund Trust i.e. "TeamLease Services Ltd. Employees Provident Fund Trust" ("PF Trust") through which it manages provident fund liability for its employees. Accordingly, the PF Trust is considered as a defined benefit plan. The PF Trust has made investments of ₹ 17,373.78 lakhs (31 March 2020: ₹ 17,373.78 lakhs) in two non-banking financial companies ('NBFCs') which have maturities between FY 2020-21 to FY 2026-27, which are currently under severe liquidity stress.

The total assets under the PF Trust as at 31 March 2021, amounts to ₹ 144,259.22 lakhs (31 March 2020: ₹ 127,419.50 lakhs) and there is an unrealised MTM gain of ₹ 10,342.76 lakhs (31 March 2020: ₹ 7,800.00 lakhs) on account of certain other investments. There is a net surplus of ₹ 2,543.67 lakhs as at 31 March 2021 (31 March 2020: ₹ 3,824.33 lakhs) without considering the impact of any MTM gains/losses on the investment portfolio of the Trust.

The management, in consultation with its PF Trust's investment advisor, is of the view that the current reserves of the Trust and future MTM gains including on equity investments will be sufficient to absorb any potential shortfall in Trust accounts. Pending clarity on the actual quantum of shortfall, no provision has been made in the accompanying financial results, towards any future potential obligation that may arise on the Company.

This matter will be monitored closely and any incremental shortfall identified will be provided, as and when determined by the PF Trust.

## Note 46: Scheme of Amalgamation between TDPL and Evolve

The Board of directors of TeamLease Digital Private Limited (TDPL) and Evolve Technologies and Services Private Limited (ETSPL), in their respective meetings held on 16 November 2020 approved the Scheme of Amalgamation ("Scheme") of Evolve with TDPL pursuant to Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions the Act, to the extent applicable, with appointed date being 1 April 2020. The Scheme has been filed with the relevant jurisdictional office of National Company Law Tribunal on 12 December 2020.

## Note 47: Assets held for sale

Subsequent to the year ended 31 March 2021, the Company has entered into a Memorandum of Understanding with a third party, for sale of 100% equity stake in its subsidiary company IIJT Education Private Limited (IIJT) at an agreed consideration of ₹ 470.00 lakhs. Accordingly, below mentioned assets and liabilities pertaining to IIJT have been classified as held for sale in the Balance Sheet.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 47: Assets held for sale (Contd..)

₹ in lakhs

Particulars	31 March 2021	31 March 2020
Building	221.73	221.73
Leasehold improvements (net) (refer note 4)	14.96	-
Goodwill (refer note 6)	235.15	-
Other assets	46.11	-
<b>Total Assets classified as held for sale</b>	<b>517.95</b>	<b>221.73</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>72.39</b>	<b>16.25</b>

## Note 48: Business Acquisitions

- a) During the year ended 31 March 2020, TeamLease Digital Private Limited (TDPL) acquired the IT Staffing vertical of E Centric Solutions Private Limited ("eCentric"), a company incorporated under Companies Act, 1956 at an agreed consideration of ₹ 2,709.27 lakhs. eCentric is engaged in the business of providing staffing and recruitment services to clients in the Information Technology sector.
- b) During the year ended 31 March 2020, the Company entered into share purchase agreement with I.M.S.I Staffing Private Limited (IMSI) and acquired 100% stake in IMSI at an agreed consideration of ₹ 6,455.55 lakhs. IMSI is engaged in the business of providing staffing services to clients in Information Technology sector.
- c) During the year ended 31 March 2021, the Company entered into a definitive agreement and acquired additional equity stake of 37.14% in TeamLease Edtech Limited ('TLEL') at an agreed consideration of ₹ 434.04 lakhs, thereby increasing the total stake to 78.43% in TLEL on fully diluted basis (including converted preference shares). Accordingly, TLEL has been accounted as a subsidiary with effect from 9 September 2020.

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

₹ in lakhs

Particulars	31 March 2021	31 March 2020	
	TLEL	E-Centric	IMSI
Property, plant and equipment, including intangibles	184.05	5.62	-
Intangible assets under development	28.19	-	-
Financial assets	51.07	31.20	-
Trade receivables	58.02	1,074.65	761.55
Cash and cash equivalents	356.02	-	9.26
Other current assets	4.35	481.00	845.63
<b>Total tangible assets</b>	<b>681.70</b>	<b>1,592.47</b>	<b>1,616.44</b>
Customer relationships	1,187.60	965.38	2,111.31
Non-compete	-	491.00	193.56
<b>Total intangible assets</b>	<b>1,187.60</b>	<b>1,456.38</b>	<b>2,304.87</b>
<b>Total fair value of assets acquired</b>	<b>1,869.30</b>	<b>3,048.85</b>	<b>3,921.31</b>
<b>Liabilities assumed</b>			
Trade payables	(52.57)	(436.58)	(4.27)
Other current liabilities	(60.90)	-	(417.32)
Deferred tax liability	(298.89)	-	(805.41)
Net employee defined benefit liabilities	(56.36)	-	(57.29)
<b>Total Liabilities assumed</b>	<b>(468.72)</b>	<b>(436.58)</b>	<b>(1,284.29)</b>
<b>Total net assets acquired</b>	<b>1,400.58</b>	<b>2,612.27</b>	<b>2,637.02</b>
Non controlling interests measured at fair value	302.16	-	-
Purchase consideration	2588.06	2,709.27	6,455.55
<b>Goodwill arising on acquisition</b>	<b>1,489.64</b>	<b>97.00</b>	<b>3,818.53</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 49: Group Information

Sl. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities*		Share in profit and loss*		Share in other comprehensive income*		Share in total comprehensive income*							
		31 March 2020		31 March 2021		31 March 2020		31 March 2021							
		As % of consolidated dated net assets	Amount ₹ in lakhs	As % of consolidated dated profit and loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of consolidated other comprehensive income					
<b>Parent</b>															
1	TeamLease Services Limited	94.98%	65,438.65	111.35%	8,407.02	156.79%	4,158.20	36.32%	55.25	105.49%	28.47	109.87%	8,462.27	156.28%	4,186.67
<b>Subsidiaries</b>															
2	TeamLease Digital Private Limited	-2.08%	(1,442.26)	-16.51%	(1,246.46)	-49.75%	(1,319.43)	13.83%	21.04	11.93%	3.22	-15.91%	(1,225.42)	-49.13%	(1,316.21)
3	ILJT Education Private Limited	0.25%	175.21	-1.33%	(100.24)	2.26%	60.01	-	-	-	-	-1.30%	(100.24)	2.24%	60.01
4	TeamLease Education Foundation	-0.45%	(309.64)	-0.52%	(39.28)	-0.82%	(21.87)	-	-	-	-	-0.51%	(39.28)	-0.82%	(21.87)
5	Keystone Business Solutions Private Limited	1.56%	1,078.12	1.53%	115.65	11.11%	294.54	8.17%	12.43	62.92%	16.98	1.66%	128.08	11.63%	311.52
6	Evolve Technologies & Services Private Limited	3.00%	2,066.63	2.25%	169.59	7.68%	203.78	1.08%	1.65	-14.31%	(3.86)	2.22%	171.24	7.46%	199.92
7	Teamlease e-Hire Private Limited	-1.13%	(777.25)	-6.85%	(517.12)	-26.33%	(698.37)	2.84%	4.32	-30.58%	(8.25)	-6.66%	(512.80)	-26.38%	(706.62)
8	I.M.S.I Staffing Private Limited***	2.78%	1,917.49	6.90%	520.78	6.85%	181.77	32.38%	49.26	-28.12%	(7.59)	7.40%	570.04	6.50%	174.18
9	TeamLease Edtech Limited**	1.10%	758.37	4.69%	354.01	-	-	1.93%	2.93	-	-	4.63%	356.94	-	-
<b>Associate</b>															
10	TeamLease Edtech Limited**	-	-	-0.16%	(11.75)	-3.55%	(94.26)	1.45%	2.21	2.93%	0.79	-0.11%	(9.54)	-3.48%	(93.47)
<b>Joint Venture</b>															
11	Avantis Regtech Private Limited	-0.01%	(7.59)	-1.35%	(102.08)	-4.24%	(112.33)	2.00%	3.04	-10.26%	(2.77)	-1.29%	(99.04)	-4.30%	(115.10)
<b>Sub Total</b>		<b>100.00%</b>	<b>68,897.73</b>	<b>100.00%</b>	<b>7,550.12</b>	<b>100.00%</b>	<b>2,652.04</b>	<b>100.00%</b>	<b>152.13</b>	<b>100.00%</b>	<b>26.99</b>	<b>100.00%</b>	<b>7,702.25</b>	<b>100.00%</b>	<b>2,679.03</b>
Consolidation adjustments/eliminations			(3,695.16)		199.99		845.49		(5.25)		1.97		194.74		847.46
Non-controlling interest in subsidiaries			400.32		97.36		-		0.80		-		98.16		-
<b>Total</b>			<b>65,602.89</b>		<b>7,847.47</b>		<b>3,497.53</b>		<b>147.68</b>		<b>28.96</b>		<b>7,995.15</b>		<b>3,526.49</b>

\* The figures have been considered from the respective standalone financial statements and the consolidated net figure has been arrived at after consolidation adjustments/eliminations.

\*\* TLEL is accounted as an associate till 8 September 2020 and as a 78.43% subsidiary from 9 September 2020.

\*\*\* IMSI is accounted as 100% subsidiary from 12 November 2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

## Note 50: Effect of Covid-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements. The Group will continue to monitor future economic conditions for any significant change.

## Note 51: Previous year

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

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: 9 June 2021

For and on behalf of the Board of Directors of  
TeamLease Services Limited

**Ashok Reddy**  
Managing Director  
DIN: 00151814

**Ramani Dathi**  
Deputy Chief Financial Officer

Place: Bangalore  
Date: 9 June 2021

**Latika Pradhan**  
Director  
DIN: 07118801

**Alaka Chanda**  
Company Secretary  
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