

March 15, 2019

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Ltd.,
Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051.

Scrip ID: BSOF
Scrip Code: 532400

Symbol: BSOF
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - Apportionment of the Cost of Acquisition of equity shares.

Dear Sir / Madam,

Attached is the communication being issued for general guidance of the shareholders of Birlasoft Limited in relation to the method of calculation and apportionment of the cost of acquisition of the Company's shares between the equity shares of Birlasoft Limited and KPIT Engineering Limited as per the provisions of the Income Tax Act, 1961.

This is for your information and records. Please acknowledge receipt of the same.

Thanking you.

Yours faithfully,

For Birlasoft Limited
(Formerly KPIT Technologies Limited)

Sadve

Sneha Padve
Company Secretary & Compliance Officer



Encl.:- As mentioned above.

Birlasoft Limited

(Formerly KPIT Technologies Limited)

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune (MH) 411057, India
Tel: +91 20 6652 5000 | Fax +91 20 6652 5001 | contactus@birlasoft.com | www.birlasoft.com

CIN: L72200PN1990PLC059594

BIRLASOFT LIMITED

Registered Office: Plot no. 35 & 36, Rajiv Gandhi Infotech Park, Hinjawadi, Phase 1, MIDC, Pune 411 057

Dear Shareholder,

Sub: Computation of Cost of acquisition per share of Birlasoft Limited ("BSL") and KPIT Engineering Limited ("KPIT")

The Hon'ble National Company Law Tribunal, Mumbai Bench, has by its Order dated November 29, 2018, approved the composite scheme of arrangement amongst Birlasoft (India) Limited ("**Transferor Company**") and KPIT Technologies Limited ("**Transferee Company/Demerged Company/KPIT Technologies**") and KPIT Engineering Limited ("**Resulting Company**") and their respective shareholders ("**Scheme**"). The Scheme became effective on January 15, 2019.

Pursuant to the Scheme, the assets & liabilities relating to the engineering business of KPIT Technologies post-merger of the Transferor Company with KPIT Technologies have been transferred to KPIT at book value, as standing in the books of KPIT Technologies as on the opening hours of business on January 1, 2019 (Appointed Date).

Pursuant to the order received, Birlasoft (India) Limited has merged with KPIT Technologies Limited w.e.f. January 15, 2019. The Demerged Company i.e. KPIT Technologies Limited has been renamed as Birlasoft Limited on **February 8, 2019** and the Resulting Company i.e. KPIT Engineering Limited has been renamed as KPIT Technologies Limited on **March 13, 2019**.

This intimation is issued to inform the shareholders the method by which the cost of acquisition per share of BSL & KPIT is computed for the purpose of working out the capital gains under the Income-tax Act, 1961 (hereinafter referred to as the "**Act**").

The cost of acquisition is relevant only in cases where shares were acquired/bought before and held on the record date i.e. January 25, 2019.

We trust this explains the position clearly and would help you to compute the cost of acquisition per share individually for BSL & KPIT, both after the demerger, if and when the shares are sold, attracting capital gains under the Act. The shareholders are advised to seek individual legal and / or tax opinion for calculating the tax liability and tax to be paid. Tax calculations and compliance are individual investor responsibility and neither BSL or KPIT take any responsibility for any errors or omissions pertaining to individual investor tax calculations and /or compliances.

Computation of Cost of Acquisition per share of BSL & KPIT, post Demerger:

The Scheme has fulfilled the provisions of section 2 (19AA) of the Act and hence demerger is per the provisions of the Act. According to the provisions of section 47 (vid) of the Act, demerger of the engineering business is not considered as transfer and hence is not taxable in the hands of the shareholders.



For the purpose of determining the Post Demerger Cost of Acquisition of Equity Shares of BSL & KPIT under the Act, the Shareholders are advised to apportion their pre-demerger cost of acquisition of BSL's shares in the following manner:

Name of the Company	% of Cost of Acquisition of KPIT's Shares
BSL	56.64
KPIT	43.36
Total	100.00

As per the provisions of Section 49(2C) of the Act, the cost of acquisition of shares in the Resulting Company (KPIT) shall be the amount which bears to the cost of acquisition of shares held in the Demerged Company (BSL) the same proportion as the net book value of assets transferred in a demerger bears to the Net worth of the Demerged Company (BSL) immediately before such Demerger.

As per the provisions of Section 49(2D) of the Act, the cost of acquisition of original shares held by the shareholder in the Demerged Company (BSL) shall be deemed to have been reduced by the cost of acquisition of the shares in Resulting Company (KPIT) computed as per section 49 (2C) of the Act.

For example, if BSL shares were acquired for Rs. 1000/- per share before Demerger, the cost of acquisition of a share in KPIT based on the proportion of net assets/net worth shall be Rs. 433.6 per share and the cost of acquisition in BSL will be Rs. 566.4 i.e. the cost of original share less cost of acquisition of a share in KPIT which is (Rs. 1000/- less Rs. 433.6). Thus, the ratio of cost of acquisition for KPIT shall be 43.36% and BSL shall be 56.64%.

Period of holding

According to Section 2(42A)(g) of the Act, for reckoning period of holding on the date of sale, the period for which the shares were held on the Demerged Company (BSL) prior to Demerger should also be included. For example, if a person acquires 1 share of BSL on **January 4, 2018** and based on his holding on the record date i.e. January 25, 2019, he has been allotted 1 share of KPIT on January 25, 2019, If the share is sold on Jan 1, 2020, the period of holding, for determining whether it is a short-term capital asset or a long-term capital asset, should be considered from the date of original purchase i.e. January 1, 2018 and not from the date of allotment i.e. January 25, 2019.

